OFFICE OF THE HIGH COMMISSIONER FOR INDIA

REPORT

on the work of the

INDIAN TRADE COMMISSIONER

during 1936-37

By

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OFFICE OF THE HIGH COMMISSIONER FOR INDIA

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LONDON W C 2

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From *The High Commissioner for India*
London

To *The Secretary to the Government of India*
Department of Commerce
New Delhi India

SIR

I am directed to forward for the information of the Central Government the Report submitted by the Indian Trade Commissioner London on the work of his Department for the year which ended on the 31st March 1937

2 The salient features of the economic situation in the principal countries of Europe continue to be an almost complete departure from the pre-war system with its automatic economic and financial adjustment the erection of trade barriers with a view to the attainment of self sufficiency and an increasing tendency on the part of States to enter the field of private enterprise Nevertheless there has been an appreciable improvement in international trade world imports as well as exports having advanced by nearly [illegible]0 per cent The break up of the gold bloc has contributed to a wider distribution of this prosperity Re-armament programmes however continue to be an important if not a dominant factor in the process of recovery

5 The High Commissioner again wishes to place on record his appreciation of the efficient manner in which the department has been administered during the year by Sir David Meek with the able assistance of Mr Sukthankar the Deputy Trade Commissioner and the other senior officers of the department He also wishes to express his indebtedness to the Department of Overseas Trade of H M Government and the various non-official organisations in this country who have continued to render valuable assistance to the Trade Department

I have the honour to be Sir

Your most obedient Servant

B RAMA RAU

Deputy High Commissioner

REPORT OF THE WORK OF THE INDIAN TRADE COMMISSIONER LONDON 1936 37

Chapter I.—Modern Trade Tendencies.

GENERAL OBSERVATIONS.

If a proper appreciation of modern trade tendencies is to be achieved it will not be sufficient to concentrate attention only on the most recent events occurring within the allotted space of twelve months nor yet to confine it to events arising only in one department of human activities such as trade for human affairs cannot be cut up into water tight compartments nor can they be made to fit into any arbitrary divisions of time Events culminating in one year often have their beginnings in another and the period over which uncertainties and anxieties created by events like the Great War or the world wide economic depression cast their influence may well extend over a decade or longer It is now almost nineteen years since a maimed and mutilated Europe began to struggle with the peculiar post war problems and eight years since the artificial prosperity achieved in the post war years collapsed and the cataclysmic fall of prices known as the economic depression submerged the world The last eight years taken singly might show little but confusion and conflict and hardly disclose any well marked features Yet when this period is considered as a whole it is possible to discern in these years certain characteristics which distinguish them from the pre-war years Such characteristics might be conveniently summarised under the following four headings:—

(1) The abandonment of certain economic and financial adjustments which worked almost automatically in the pre-war period

(2) An increasing intervention perhaps as a result of (1) above of the State in economic and other fields with the object of regulating private enterprise

(3) A marked tendency towards self sufficiency resulting in well emphasised nationalistic policies

(4) The erection of trade barriers perhaps as a result of the three factors noted above

It should be obvious that under the influence of such currents nearly all the countries of the world would naturally tend to lay special emphasis on domestic recovery having as their objective the defence of their national currencies and the protection of their home markets There is no doubt that the forces of recovery which have been in evidence in recent years received their first impetus from these nationalistic policies Gaining fresh stimulus from rearmament programmes among other causes they have never worked so strongly as during the year under review If the previous year could rightly be described as one of continued recovery the year under review has been characterised by an accelerated rate of progress Not only has progress not been confined to one country but it is widely spread and as a result of the break up of the gold bloc even the countries which were included therein now share the prosperity enjoyed at an earlier date by the countries included in the sterling area

While the record of progress in domestic recovery is substantial that in the international field is no less worthy of notice According to figures published in the League of Nations Monthly Bulletin of Statistics for April 1937 the value of world trade (73 countries excluding Spain and Italy) is reported to have advanced appreciably The world imports have increased from 11 681 millions (old U S A Gold Dollars) to 12 715 millions thus representing an increase of 8 8% The world exports have advanced from 11 187 millions to 12 189 millions thereby registering an increase of a little over 8 9% There has thus been a definite revival in trade all over the world Yet these economic developments satisfactory as they are contain certain elements which may well give cause for anxious thought These could be considered under three heads —

(1) Although the rising prices of raw material are welcome from the point of view of the primary producers it is obvious that the increase should not be so great or the rise so steep as to discourage enterprise already planned on a lower level of costs The prices of commodities like copper lead rubber and steel were at the end of the period under review definitely lower than they had been in 1924 and compared with 1928 only lead and steel prices have advanced by 25% and 12% respectively whereas copper and rubber prices have declined by 30% and 18% respectively While prices have been stimulated by the re-armament programmes they are still governed mainly by world factors and the rise is due more to the improved statistical positions for most commodities and a genuine commercial demand rather than to any speculative activities Yet the danger of commodity prices getting out of control is present and while it is necessary that prices should be

such as to give efficient producers a reasonable return it is equally necessary that they should be such as to attract an ever widening circle of consumers

(2) Neglect of export markets follows as a corollary from the conditions in which emphasis is laid on the home markets and world trade is hampered by trade barriers The shrinkage of exports moreover narrows the basis of the world economic structure and the loss of overseas connections may be all the more serious when the boom conditions in the home markets disappear The export markets provide the wherewithal to purchase imports and in the final result the primary producers are as much interested in seeing a rise in world exports of finished products as they are in a rise in the world imports of raw materials

(3) While the re-armament programme has been a source of considerable stimulus to trade and industry it is also a source of possible danger When the stimulus disappears some of the commodity markets may be severely tested particularly as the heavy armaments expenditure is not spread over the whole range of commodities On the other hand a considerable increase in the present scale of armaments expenditure might well strain the financial resources and lead to some form of inflation or undesirable taxation Fortunately thoughtful minds in Europe and America are not unaware of these dangers and show an understanding of the difficulties inherent in the situation Their efforts at providing a solution are proceeding broadly speaking in two directions (1) in the search for suitable means to iron out violent fluctuations arising from trade cycles and to steady the process of recovery (2) in attempting to free trade channels by reducing or removing the trade barriers In illustration of (1) may be quoted the American economic policy whose main principle appears to be the establishment of a steady price level The agricultural policy in the United Kingdom is guided by the same principle In another field fluctuations have been kept within limits by the creation of exchange equalisation funds which are drawn upon when necessary for the support of the exchanges The recent Tripartite currency agreement might also be quoted as an instance in point The creation of reserves of enterprise has been suggested so that previously planned work could be undertaken in times of depression In support of attempts to free trade channels the various trade negotiations which have been undertaken in recent years and are in hand even now may be instanced The authorities in the United Kingdom have been impressing upon the commercial circles the importance of oversea markets and of maintaining old trade connections Discussion regarding free trade have gone beyond the stage of generalities and toward the end of the year under review preliminary if informal investigations into the complicated question of freeing trade have been

undertaken The Oslo powers have indeed made provision for a freer exchange of goods Arrangements for a trade agreement between the United Kingdom and the U S A are foreshadowed but the problem of freeing trade is one of great complexity for it cuts athwart local and international interests Thus to illustrate some of these difficulties the case of France may be mentioned The importance of the export markets to the prosperity of that country is admitted but the revival of export trade depends on the free admission of agricultural commodities and of manufactured goods from other countries The French farmers however, relying on protection for the improvement of their financial condition can hardly be expected to support the free entry of competing commodities from agricultural countries French manufacturers faced with rising costs due to the new industrial *régime* are equally unprepared to tolerate an influx of foreign goods Other governments are faced with similar difficulties yet it is most essential that investigations should be undertaken to see in what way these difficulties can be overcome for the danger of the doctrine of self-sufficiency not only to economic advancement but also to the peace of the world is now generally admitted

After these general observations it will be convenient at this stage to examine more closely the position in some of the leading countries of the world and give their economic developments in greater detail

SURVEY

United Kingdom

Turning to the United Kingdom first and judging by the *usual tests of the number of persons employed* business activity production indices in some of the leading industries such as iron and steel the motor-car and the aircraft industries building textile industries and retail sales the year under review has been one of marked progress. The number of insured persons unemployed on 22nd February 1937 was 1 552 000 On about the same date in 1936 the corresponding number was 1 949 000 and about the same date in 1935 the corresponding number was 2,201 000 On the other hand the estimate of insured persons employed on 22nd February 1937 was 11 187 000 as against 10 526 000 on 24th February, 1936 and 10 097 000 on February 25th 1935 Measures are being devised to reduce unemployment still further and active steps are being taken to ameliorate the condition of people living in special areas Business activity in the year 1936 is reported to have been 8% higher than in the previous year The monthly average of the production of crude steel in 1936 was 9[illegible]7 000 ton as against a monthly average of 822 000 tons in 1935 The total *production in the* first two months

of 193 wa 999 000 and 996 000 ton respectively Shipbuilding ha ha l a mu h better yeai and the amount of idle tonnage has been r luced c n iderably The in reased hipbuilding activity is undoubtedly due among other causes such as Naval reconstruction and the Tramp hipping subsidy to the increase in freight rates resulting from improved international trade The motor-car indu try ha maintained its place as the third largest in the United Kingdom The number of sale in the home market and abroad ha br ken all previ u recor l The aircraft industry has received very onsider ll stimulus from the Government re-armaments programme The activity in the building industry as a whole has ontinued t be sati factory the increased factory building making up for a decline in the building of residential houses The woollen industry has registered increasing progress in spite of the higher price of raw material It has been a year of considerable progress *for the textile industry particularly in regard to rayon* Even the Lanca hire cotton industry which of late has been experiencing con iderable difficulties ended the year on a brighter note The percentage of insured persons unemployed in the cotton textile indu try was 11 4 and 10 8 towards the end of January and February 1937 respectively The corresponding figures for last year were 1" 6 and 17% Towards the end of February 1935 the percentage was as high as 22 The process of reconstruction in all it branches however is still incomplete The long-depressed coal industry has also an encouraging record to show The monthly average output of energy in the electrical industry was 1 685 million units in 1936 as against a monthly average of 1 464 million units in 1935 In the first two months of 1937 the output was 2 176 and 1 944 million units respectively The index number of retail sales in Great Britain in December 1936 was 154 as against 146 in December 1935 (Average daily sales in 1933 = 100) The index numbers for January and February 1937 were 119 and 110 a against 110 and 102 in January and February 1936 The total savings accumulated by the Post Office Savings Bank building societies and other similar thrift institutions were estimated in 1936 at £3 000 million and indicated the wide distribution of purchasing power The profits of certain selected companies numbering a little over 2 000 show an increase of 13% over those in 1935 which in their turn had shown an advance of 16% over the previous year The cost of living as reported by the Ministry of Labour was on the 1st March approximately 51% above the level of July 1914 For food only an average increase of 35% is reported The changes in rates of wages as reported f r the first two complete month of 1937 recorded an increase of £160 000 per week in the full time rates of wages of a little over two million workpeople

It i thu beyond doubt that the year under review has been a prosperou one for Gr at Britain

Scandinavia.

Scandinavia had a prosperous year but the degree of prosperity attained by the three countries constituting the group was not necessarily uniform. At one end of the scale is Sweden with its industrial production attaining new higher records, its flourishing internal and export trade and its substantial accumulations of liquid financial resources resulting from that trade. At the other end of the scale is Denmark with its diminishing resources of foreign exchange and the balance of payments causing some anxiety to the authorities. Between these two comes Norway.

Sweden.

Sweden's great economic recovery is due to certain special economic advantages enjoyed by that country. Her engineering and manufacturing industries are well developed. There is a steady long term demand for her timber and wood pulp, there is an increasing demand for the products of her metallurgical industry, iron ore shipments in 1936 have been greater than at any time in the past. Lack of individual enterprise and the erection of trade barriers by foreign countries have however made further expansion of foreign trade virtually impossible. These difficulties combined with the restrictive influences of taxation have curtailed suitable outlets for the growing liquid financial resources. There has been no appreciable change in retail prices. The cost of living index (1914=100) as given in the League of Nations monthly bulletin of Statistics for April 1937 was 103.4 in March 1937 having averaged at 101.1 in 1936 and 100.5 in 1935 but the index of wholesale prices has risen substantially. In March 1937 it stood at 97.1 (1914=100) as against an average of 85.7 in 1936 and 82.9 in 1935. There are however no signs of inflation so far.

Norway.

Norway does not derive prosperity from timber, iron or other mineral ores to the same extent as Sweden and is mainly dependent on its whaling and shipping industries. Their comparative prosperity to some extent reduced the adverse balance of trade. Owing to the greater increase in imports than in exports the balance of trade was on the wrong side in 1936 to the extent of Kr. 19.80 million as compared with 18.34 million in 1935. During the year there was a considerable fall in the bank deposit, probably due in some measure to the new tax imposed on bank deposits.

Denmark

The Danish economy is dependent on agriculture to a greater degree than is the case in the other two Scandinavian countries. The poor grain harvest which was approximately 20% below that of 1935 aggravated the difficulties of the agricultural situation although agriculture on the whole was not unprofitable. Though the bacon exports declined by 12% the butter and egg exports advanced in 1936 as compared with the previous years. Increased freight was responsible for better results in the shipping industry. Unemployment declined slightly but the improvement in the internal market appears to have reached its climax and the trade with foreign countries is limited by agreements.

France

In spite of all the new economic policies adopted by France her difficulties are not yet over and indeed in some measure may be attributed to those very policies. The earlier part of the year witnessed some improvement. The index of production which was averaged 67 4 in 1935 (1929 = 100) rose to 69 5 at the beginning of 1936 and to 73 1 by May 1936. Unemployment declined to 420 000 by June 1936 from 477 173 in January 1936. The yield of the turnover taxation showed an improvement over the previous years. These favourable signs however did not herald any lasting improvement. Wholesale prices continued to rise. Their index (1929 = 100) rose to 60 6 in May 1936 as against 57 3 at the beginning of the year and the average of 54 in 1935. The rise in the prices with the resulting disparity between French and world prices added to the already difficult task of maintaining the franc on a gold basis. The difficulties were further increased by the social programme which the Blum Government had to undertake in order to allay the serious industrial unrest of May and June. The price index standing at 60 3 in June advanced to 67 in the following three months and mainly as a result of the devaluation of the franc rose to 75 1 in October and 82 8 in December. By the end of the first quarter in 1937 it had mounted up to 88 4. In certain directions however the social legislation is having beneficial effects. The purchasing power in the hand of the wage earners is increasing. The index of production which had slipped back to 66 7 in August advanced to 71 7 by the end of the year and further to 73 8 in February 1937. Unemployment decreased towards the end of the year. The number of persons in receipt of relief decreased to 388 920 in March 1937 as against 465 127 a year earlier. By September 1936 the number of bankruptcies had fallen as low as 321 per month against a monthly average of 8+5 in the previous year. The monthly average how

ever rose to 605 in October and 672 in November indicating the financial difficulties caused by industrial disputes. It fell again to 599 in December. In spite of these favourable signs the future is somewhat uncertain and a lack of confidence is noticeable. Trade is still depressed. Imports have increased but exports have declined. The adverse balance of trade amounted to 8 568 million francs in the first 11 months of 1936 as against 4 800 million francs in the corresponding period of 1935. The budget for 1936-37 shows a deficit which will probably be met by borrowing. Despite the devaluation of the franc capital has not returned to France in large volume partly owing to a lack of confidence and to the restrictions and penalising measures passed at the time of devaluation.

Belgium

Belgium has shown far greater progress in the sphere of internal recovery than in the international field. On account of increased employment the budget estimates for 1937 provide for 15 million francs less on account of the unemployment relief than was allotted during the previous year. Prices are showing an upward trend. Government expenditure has been stabilised and the existing taxes are showing better returns. The estimated budget surplus for 1937 is 171 million francs. A plentiful supply of credit is one of the causes which has contributed to the remarkable internal recovery. At the same time it must be noted that capital is shy of long term engagements. Foreign trade however has not shown the same improvement as domestic trade. In terms of old U S A gold dollars the adverse balance of trade has increased from 26 2 million to 27 5 million but there has been some improvement in shipping returns and other invisible export items of trade which must be set against the adverse balance of merchandise trade. The lack of improvement in the field of foreign trade is chiefly due to the trade barriers erected by other countries. It has also to be noted that the Belgian trading interests are reluctant to shift to new centres where competition is less severe and are confining themselves to old trading connections. Foreign trade is however urgently necessary for an industrialised country like Belgium and the authorities are adopting measures calculated to increase its volume.

Holland

After an obstinate refusal to fall into line with the currency policies of other countries Holland following upon the tripartite agreement towards the end of September 1936 between the U K the U S A and France at last decided to devalue her currency



EMPIRE SECTION BRITISH INDUSTRIES FAIR 1937

and this was effected at a time when the world prices were rising This step has brought prosperity to certain industries and trades and has improved the relation between costs and returns in the export trade but it must be pointed out that some of the industries such as the metal industry shipbuilding diamond and coal were showing some improvement even before the guilder was devalued An increase in the purchasing power of the Netherlands East Indies provided a larger outlet for the output of the Dutch cotton textile industry Following upon the devaluation capital returned to Holland and there has been a general improvement in consequence The turnover tax yields have improved The adverse balance of trade has decreased appreciably as compared with previous years and amounted to 236 million guilders in the period January to November in 1936 as against 240 million in the same period in 1935 and 309 in the same period in 1934

Germany

The military requirements apparently dominated the German economy throughout 1936 Although this led to a considerable increase in the industrial output and in the internal sales it has not provided a solution for the economic problems of Germany A second Four Year Plan has been instituted to increase production of raw materials hitherto imported from other countries The output of the leading industries has advanced by 12% over the boom year of 1929 Some increased consumption has been reported but such a statement has to be taken with caution as the increase in the value of sales is at least partly due to increased prices and to the purchases which have been undertaken in a great measure to satisfy the military needs Such purchases can hardly be interpreted as increased consumption by the general public Imports are severely controlled except in the case of those required for re-armament or for the purposes of export trade According to the Monthly Bulletin of Statistics for April published by the League of Nations the value of the exports in terms of the old U S A gold dollar has advanced from 1 017 million in 1935 to 1 135 million in 1936 The corresponding figure for 1934 was 979 2 million The imports in terms of the old U S A gold dollar amounted to 1 004 7 million in 1936 as against 990 6 million in 1935 and 1 045 5 million in 1934 The rise in the value of exports is thus approximately 12% and the favourable balance of trade has advanced in the terms of the same currency from 26 4 million to 131 1 million As far as Germany is concerned the difficulties of foreign trade have been increased by the policy of devaluation followed by other countries Germany is the only country which is now on the so-called gold basis although it has to be remembered that a considerable manipulation

of currency according to the needs for which it is required is permitted Her search for synthetic substitutes for raw material and food goes on and these efforts have been intensified as a result of the second Four Year Plan The unemployment figures for December 1936 were approximately a million and a half and a reduction of over four millions has been reported in number of the unemployed since January 1933 The figures for February 1937 are 1 610 947 (unemployed) and show an increase in unemployment Stringent decrees have been passed regarding the consumption of raw materials and the admixture of substitutes. The stocks of home-grown grain once reported to be sufficient have been admittedly low towards the end of the year and considerable imports of wheat from other countries have been registered There has been a considerable increase in taxation the corporation tax having been increased by 50% Goods traffic rates were advanced by 5% in January in order to make up the loss suffered by the railway companies Import taxes and the duty on mineral oils have also been increased In spite of substantially improved gross returns the net financial results were unsatisfactory owing to the increased levies by Government

Italy

In the absence of official figures whose publication has been suspended since October 1935 it is difficult to give any trustworthy statistical information about the Italian economy On October 4th the lira was devalued and steps were taken to maintain the exchange at the rate of 92 46 lire to the £ sterling Strenuous attempts have been made to keep down the cost of living and with this object in view the additional 15% import duty levied in December 1931 has been abolished On November 6th trade negotiations with England were concluded and two agreements have been entered into the first of which has for its object the *clearing of current trade payments and the second pertains to* trade matters According to the first agreement all debts arising out of British imports into Italy are paid into the Anglo-Italian Clearing offices These debts have been divided into two categories—those contracted before 14th June 1936 and those contracted since Seventy per cent of the sterling available is allocated to the clearing of current debts i e those contracted since 14th June Twenty seven per cent i allotted for clearing commercial and freight debts contracted before 14th June These are reported to amount to 80 million lire The remaining 3% has been allotted for clearing financial debts and remittances According to the second agreement Italy has undertaken to import United Kingdom goods and Newfoundland fi h to the total quarterly value of 97 million lire Out of this the coal and coke

quota has been fixed at 43½ million lire The agreement expires on the 30th June 193 when tep may be taken to enter into a permanent agreement in the light of the experience gained In spite of the attempt to control prices and keep down the cost of living both are said to be rising Agricultural conditions in 1936 were not favourable the wheat harvest being only 80% of that in 1935 The grape and olive harvests were also below normal but the tourist traffic was good and is reported to have brought in an average net income of 100 million lire per month Following on sanctions the policy of self sufficiency has been pursued with great vigour and efforts have been inten ified to discover among other things the process of manufacturing petrol from the Italian lignite

United States of America

Although towards the end of the year labour disputes caused some setback in certain industries there has been an upward trend in prices turnover and industrial activity The motor-car and its subsidiary industries were most affected by industrial disputes Other indu tries showed general improvement The increase in the income both of the factory worker and the farmer has given a great stimulus to the restoration of business activity The total wages paid in most manufacturing industries have returned to the 1929 level In February 1937 the income of the farmers was reported to be 24% higher than it had been during the same period in previous years Capital goods industries are showing good progress Prices are rising but constant watch fulness is maintained by the authorities to see that inflation is checked

Some idea of the general business improvement can be had from the fact that deducting taxes the aggregate profits in the case of more than 2 000 industrial and public companies have advanced from 2 473 million dollars in 1935 to 3 633 million dollars in 1936 Some 1 000 manufacturing and trading corporations examined separately registered an increase of 52 3% in profits Industries which were depressed at one time especially those connected with producers goods, such as iron and steel non ferrous metals building materials etc show very marked improvement The profits in the industries connected with the consumers goods are moderate compared with those in the producers goods industries but the latter of course are always subject to wider variations during boom and depression The prices of non ferrous metals have shown a sensational rise There was an increased demand for copper in the building industry and in the electrical refrigerator industry and thi to some extent made

good the disappointing demand from telephone and telegraph concerns and electric light and power companies. There has been a considerable demand from the armaments industries for lead but this is still less than the demand due to the ordinary business revival. Increased use of die castings, improved methods of galvanising and growing employment of zinc pigments in paints have led to a keen demand for zinc.

ARGENTINE.

A reference may perhaps be made here to the prosperity in South American countries. Increased demand for the primary products and the rise in prices have completely changed the position of the Argentine Republic. The difficulties in 1935-36 were due to a partial failure of cereal harvests and low world prices, but following upon a drought in North America grain prices advanced and the economic position has improved rapidly since July 1936. Argentine's export surplus in 1936 was 35% greater than in 1935 and amounted to 536 million pesos (£36 million sterling roughly). This figure is the highest since the boom year 1919 when the surplus was 853 million pesos. It is reported that, thanks to the improvement in wheat and linseed crops, Argentine is attracting foreign capital. The position in regard to the exchange rates has considerably improved.

BRAZIL.

Brazil has also shown evidence of economic improvement but a special feature deserving notice is the decline in the position of coffee in the list of Brazil's principal exports. During the pre-depression period coffee exports accounted for 75% of the total exports. In 1936 this percentage fell to 45 and shipments of cotton, cocoa, fruits and vegetables are now taking the place once occupied by coffee, although on account of the rise in prices coffee exports advanced somewhat in value to £17,785,000 (gold) in 1936 as against £17,373,000 (gold) in 1935. The cotton-growing industry is showing great progress, the shipments being valued at 43% of the value of coffee shipments. The important purchasers of Brazilian cotton in order of takings are Great Britain, Japan and Germany. It would appear that Brazil has realised the desirability of broadening the character of her production and is changing her economy accordingly.

JAPAN.

In Japan the national expenditure is rising and since 1932 a deficit of the order of 700 to 900 million yen has been the annual feature of the budgets. Since 1930 the total national expenditure

has nearly doubled and that on the fighting forces trebled. The annual deficit has been met by borrowing. According to the League of Nations Statistical Bulletin for April the cost of living index (1929 = 100) has gone up from 83.6 in 1935 to 88.8 in 1936. In February 1937 it was 94.1. There has been no marked improvement in the purchasing power of the working classes although undoubtedly unemployment has been prevented. The exports of 1936 show considerable improvement over those of 1935 but the rate in the improvement has declined. Purchases of some of Japan's best customers show a decrease. For instance, the purchases by China are down by 7 million yen, British India by 16 million yen and Dutch East Indies by 1[illegible] million yen. For the first time since 1932 there has been a fall in the exports of cotton cloth to the extent of about 68 million yards in quantity and 27 million yen in value, but this decline has to a certain extent been offset by increased imports into Manchukuo. Owing to the low costs of production Japanese goods are able in many cases to surmount tariff walls but the fixing of quotas introduces definite limits and accounts for the decline in the rate of expansion of Japan's exports.

INDIA

During the year under review, especially in the latter part of it, several commodities in India found themselves in a state of prosperity unknown in the past seven years. The monsoon conditions for 1936-37 were favourable and harvests were good. The following figures give the acreage under and the out-turn of some of the principal crops in 1936-37. The remarks in brackets show whether the forecast is the final or an earlier one.

Crop.	Estimated area.	Per cent of preceding year (100 = figure of the same date preceding year)	Final figure 1935-36	Estimated out-turn.	Per cent of preceding year (100 = figure of same date preceding year).	Final figure 1935-36
	Acres.		Acres.			
Rice (Final)	83,656,000	100.1	83,434,000	22,962,000 tons	117	28,260,000 tons
Wheat (Third)	33,259,000	99.09	33,606,000	10,241,000 tons	108	9,428,000 tons
Cotton (Final)	25,060,000	100.5	25,994,000	5,959,000 bales	103	5,963,000 bales
Jute (Final)	2,646,000	117	2,181,000	9,796,000* bales	131	7,240,000* bales
Groundnut (Final)	7,211,000	123	6,237,000	2,803,000 tons	124	2,258,000 tons
Linseed (Second)	2,879,000	109	3,40[illegible],000	Not yet available	—	394,000 tons
Sugarcane (Final)	4,421,000	110	4,020,000	6,717,000 tons	114	5,998,000 tons

* Includes figures for Nepal.

It was not however in the agricultural sphere alone but also in the political financial commercial and other spheres that India showed considerable progress Politically the year was devoted to the preparation for the constitutional changes due to take place in April 1937 Sir Otto Niemeyer reviewed the budget conditions in the provinces and at the Centre and reported on the monetary assistance that would be necessary for certain Provinces In the light of this review he came to the conclusion that subject to certain conditions the financial position was favourable to the launching of the new constitutional changes in 1937 The two new Provinces of Sind and Orissa came into existence on the 1st April 1936 Much legislative work likely to be beneficial to trade was undertaken The Indian Companies Act and the Indian Trade Disputes Act were amended and the revision of the law relating to the Insurance Companies was taken in hand A Committee appointed by the Government of Bombay enquired into the working of the Bombay Stock Exchange while another appointed by the Government of India enquired into the problems of the coal trade and industry The system of assessing the income tax was examined by a third Committee The working of the railways and the state of agriculture came under examination by persons having expert knowledge in the respective fields Financially India's position was sound Government securities remained firm their index number varying between 102 and 105 as against 95.2 and 102 in 1935-36 The new loan of Rs 12 crores was over-subscribed two and a half times within five minutes The outstanding balance of £17 millions of the maturing 5½% loan was repaid without difficulty in July 1936 Money market con ditions remained easy the bank rate remaining unchanged at 3% and there was evidence to show considerable business activity towards the end of 1936 Bankers deposits in the Reserve Bank reported to be about Rs 34 crores in July 1936 declined by one-third in November and to less than a half in December 1936 The note circulation increased by approximately 5% during 1935-36 as compared with the previous year The average value of the currency notes in circulation in 1935-36 was 192 crores In February 1937 it was 204 crores In the last quarter of the year the volume of rupee coins, held in the issue department of the Reserve Bank was reported to have gone down by approximately 3 crores of rupees Cheque clearances in February 1937 amounted to 188 8 crores of Rupees as against 140 9 in April 1936 and an average of 152.2 crores in 1935-36 All these signs point to an unmistakable rise in trading activity brought about by an increasing demand for India s principal primary commodities The demand is further borne out by the rise in the Calcutta wholesale price index for all commodities This index (1914 = 100) stood at 92 in January it slipped back to 90 in May and June advanced to 94 by December, 1936 and mounted up to 100 in March 1937 Improved conditions relieved considerably the diffi

culties of railway finance and the year ended with greater ease than was anticipated at its beginning The total approximate gross earnings of all State-owned Railways from 1st April to 31st January 193 amounted to R 26 lakh showing an increase of R 159 lakh as compared with the same period last year

The export of merchandise advanced in the fiscal year under review to R 202 12 lakhs from Rs 164 12 lakhs in 1935-36 but the import declined from R 134 28 lakhs to Rs 125 15 lakhs Net gold export declined from R 38 34 lakhs in 1935-36 to R 27 81 lakhs and from being on balance an exporter of silver in 1935-36 India turned into an importer in the year under review Net import amounted in 1936-37 to R 13 68 lakhs as against net imports of R 1,28 lakhs in the previous year The total visible balance of trade advanced from Rs 66 87 lakhs in 1935-36 to Rs 92 21 lakh in 1936-37 The exports in merchandise in the year under review registered an advance of about 23% over the previous year whereas the import declined by approximately 7% The total visible balance of trade is a little higher than in 1931-32 (Rs 90 48 lakh) and in 1933-34 (Rs 91 94 lakhs) but it has to be remembered that the high level in these years was maintained by net exports of gold whereas in 1936-37 the reduction in net export of Treasure has been counterbalanced by the increase in the net exports of merchandise

Since the denunciation of the Ottawa Trade Agreement negotiation have been going on between India and the United Kingdom by means of correspondence Similar negotiations between accredited representatives of India and Japan have been carried on in India These negotiations were not completed during the year under review but the Indo-Japanese trade agreement has since been concluded the following modifications have been introduced into the terms of the protocol which expired on 31st March 1937 —

(1) Japan will be permitted a new annual import of 283 000 000 yards of cotton piece-goods against purchases of 1 000 000 bales of raw cotton Imports of piece-goods may be increased to a maximum of 358 000 000 yards if Japan s purchases of raw cotton reach 1 500 000 bales

(2) The excess imports of cotton piece-goods in any one year which may be adjusted against the quota of the following year is raised from 20 000 000 yards to 25 000 000 yards

(3) The coloured category of the old protocol is sub-divided into (a) coloured printed goods and (b) coloured dyed or woven goods The total quota is allotted between the categories in the following percentages Plain greys 40% bordered greys 13% bleached goods 10% coloured printed goods 20%; and coloured dyed or woven goods 17%

(4) The quota is exclusive of cotton fents but Japan undertakes to limit imports of cotton fents into India to 8 950 000 yards a year The Government of India agrees that the Customs duties on cotton fents shall not exceed 35% *ad valorem*

Although concluded at a later date the new agreement came into effect from 1st April 1937

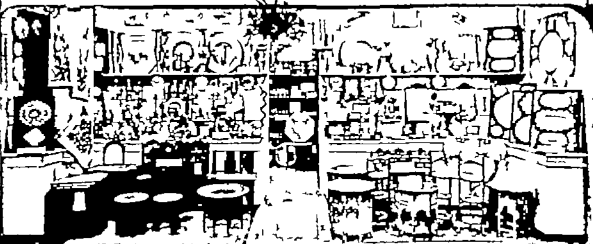
During the year the report of the Special Cotton Tariff Board was published and acting on the recommendations made by the Board the Government of India reduced the import duty on most classes of British piece-goods from 25% to 20% *ad valorem* leaving undisturbed the duty of 50% on the non British goods

PLANNED ECONOMY

As in previous years this section will deal with economic developments in India and elsewhere in regard to those commodities the cultivation or exports of which have either been regulated or assisted at some stage in pursuance of international agreements or voluntary arrangements adopted within the country concerned

RUBBER.

During the year the world stocks were considerably reduced and towards the latter part of the year the increased demand for the commodity was reflected in the higher prices commanded by it The improved price of the commodity can be illustrated by the fact that although the total exports of raw rubber declined from 27 million lbs to 25 million lbs in the first 11 months of 1936-37 the total value of these exports advanced from Rs 78 lakhs to Rs 87 lakhs In 1936 the world stocks fell by 176 000 tons and the consumption rose by 93 000 tons the chief increase in consumption being accounted for by the U S A., Great Britain Germany and Japan The U S A was responsible for 67% of the total world consumption having increased her consumption by 16% as compared with the previous year to the record figure of 573 000 tons Great Britain was the second largest consumer with 97 000 tons Germany being the third with 72 000 tons The price which averaged at 7¼*d* per lb in 1936 advanced to 10½*d* per lb in January 1937 and 10¾*d* per lb in February 1937 On some dates in these months the price advanced beyond 1*s* per lb Although the sudden rise in the price of rubber during the period under review was commented upon it will be observed



FANCY GOODS SECTION BRITISH INDUSTRIES FAIR 1937

that taken over the period for which the I R R C has been at work it has by no means been unreasonable It will be recalled that in 1927 the average price per lb of London standard ribbed smoked sheets was as high as 1/6½ d The I R R C while following its objective of working towards a price level reasonably remunerative to efficient producers has endeavoured to maintain control over the situation and increased the exportable percentage from 65 in December to 75 for January–March 80 for April—June and 90 for the remaining two quarters of 1937 It also investigated the possibilities of increasing the production in an orderly manner in the participating countries without causing undue strain on the labour situation In this connection it might be noted that both India and Burma though their production and permissible exports are small compared with other countries participating in the scheme were able to export fully up to the limit of the permissible quota and find themselves in a position to increase their production of the commodity in an orderly manner Both Germany and Russia are actively pursuing their investigations into the production of synthetic rubber and their attempts are reported to have met with a certain amount of success, although the synthetic product cannot yet be manufactured at a competitive cost

JUTE.

The voluntary control of production is still continuing On this account as well as to increased business activity raw jute commanded good prices Some reduction was reported in the stocks held by the mills in Calcutta and also in the carry-over from the last year The prices fetched by jute in the year under review will be found in Appendix A But some account is necessary to explain the fluctuations in the price at the different times of the year The demand from consumers was keen in the first quarter and was responsible for maintaining the price at about £19 10s per ton though earlier in the year it rose as high as £20 10s By the middle of the year however the price declined to £16 5s per ton as a result of favourable reports regarding the crop and the excess of acreage under cultivation over the limit suggested by the Government These reports were justified by the Government final forecast figures according to which the acreage under cultivation was 2 540 000 acres as against an estimate of 2 181 000 acres in 1935-36 and the yield 8 736 000 bales as against the corresponding forecast of 7 240 000 bales of the previous year Actually these forecasts did not depress the price any further the increased production having been already discounted by the market The prices however were soon on the up-grade as a result of the increased business activity The

voluntary arrangements entered into by the Calcutta mills to regulate the output came to an end In April the Associated Calcutta Mills permitted working of 54 hours weekly and some of the outside mills are reported to have worked as high as 108 hours a week Increased consumption resulted in heavy purchases of raw jute and the prices again exceeded £19 per ton The reports of stocks of manufactures with the mills indicate that the increased production has been absorbed by the increased demand Government propaganda has been directed towards reducing the 1937 sowings by 3/16ths of the 1934-35 area and aiming at a production of 8 to 8¼ million bales With a view to controlling production satisfactorily by means of effective propaganda the jute area has been divided into smaller charges' According to a report by a well known firm in the United Kingdom all indications towards the end of the year under review pointed to a demand in excess of this output and according to this firm the estimated amount was likely to be in the neighbourhood of 11 million bales If this report is correct it is likely that the market may push up the price still further The formation of the Indian Jute Central Committee to which a reference was made in last year's report was completed during the year under review and has started its work The dangers to the jute industry from the policy of economic nationalism followed by certain countries and from the use of competing fibres and other modes of containers are being borne in mind by the jute interests and their efforts to find new outlets for jute are continuing

TEA.

With the close of the year 1936-37 the fourth year of the International Tea Regulation Scheme ends and the scheme has now entered upon its fifth year The total imports of tea into the United Kingdom at 479 million lbs in 1936 exceeded those of 1935 by approximately 3 million lbs The imports of Indian tea into the United Kingdom at 267 million lbs declined by 3 million lbs. whereas the imports of Ceylon tea advanced by about the same amount The United Kingdom retained imports of 1936 at 409 million lbs were slightly in excess of those for 1935 which amounted to 404 million lbs According to the statistical summary of the Bank of England for March 1937 the visible stocks for these months were 206 million lbs as against 262 million lbs and 298 million lbs in the same months in 1935 and 1936 respectively The total re-exports show a decline of a little over a million lbs in 1936 as compared with the previous year although the re-exports of India tea advanced from 32 million lbs to 34 million lbs approximately A welcome feature of these re-exports is the increasing demand for Indian tea from the Soviet

Union The re-exports of Indian tea to that country advanced from 3 895 1 3 lbs in 1935 to 5 228 313 lbs In 1934 the re-exports were only 880 '88 lbs During 1936 the prices of North Indian teas fluctuated between 1/0 67*d* per lb (13th August and 3rd December) and 1/3 1*d* (5th September) South India between 11 86*d* (13th August) and 1/2 09*d* (7th May) of Ceylon tea between 1/0 86*d* (13th August) and 1/3 84*d* (2nd April) and Java tea between 10 22*d* (11th June) and 11 93*d* (5th November)

The increase of 2*d* per lb import duty on tea entering the United Kingdom in April 1936 had the effect of switching off some of the demand from the higher grades to the cheaper grades of tea with the result that there has been a comparatively smaller improvement in the prices of the former than in those of the latter grades In the quarter ending March 1937 the retained imports of tea in the United Kingdom amounted to 71 120 000 lbs as against 97 664 000 lbs in the corresponding period of the previous years The retained imports of competing beverages like coffee and cocoa also show a small decline (coffee 187 000 cwts as against 208 000 in the last quarter of 1936 cocoa (raw) 1,297 000 cwts as against 1 441 000 cwts in the first quarters of 1936 and 1935 respectively The average value of imports of tea rose in March to 1/2*d* per lb the highest recorded since October 1935 The permissible export percentage for 1937-38 was fixed at the same rate as in the previous year namely 82½% but it has since been increased to 87½% Vigorous efforts to increase the consumption of tea are being continued by the International Tea Market Expansion Board and although perhaps immediate results cannot be expected due to the fact that tea has now to reckon with several other competing beverages eventual increase in consumption is looked for

COFFEE

A separate section written by the Director of Indian Coffee Propaganda will give an idea of the working of the Indian Coffee Market Expansion Board in London The total imports of coffee (not kiln dried roasted or ground) into the United Kingdom have declined from 478 407 cwts to 440 794 cwts but the imports of Costa Rica coffee have advanced from 117 974 cwts to 178 151 cwts those from India from 30 057 cwts to 78 685 cwts On the other hand the imports from East Africa have declined considerably from 218 010 cwts to 134 787 cwts As several parcels of coffee are withdrawn from auction and sold by private treaties it is not possible to quote as in the case of other commodities the highest and lowest prices as regulated by the demand and supply inside the market nor could any useful inference be

drawn about the trend of the market On certain days for special reasons a certain parcel of coffee may command prices quite out of the ordinary run of prices but may fetch a disproportionately smaller price in the following week The figures set out below will however give some idea of how the prices have varied in the first quarter of 1937 as compared with the same period in the previous year —

Coffee sales at London Auction during the months mentioned with average prices compared with previous year —

		1936.			Per cwt.	1937			Per cwt.
January	Kenya	12,936	bags	at	65/10	14,835	bags	at	77/11
	Tanganyika	2,931	,,	,,	50/5	1,210	,,	,,	66/9
	India	399	,,	,,	73/11	292	,,		66/3
February	Kenya	8,396	,,	,,	66/3	11,585			77/1
	Tanganyika	1,883	,,	,,	48/-	753	,,	,,	67/4
	India	2,125	,,	,,	73/2	1,186		,,	72/7
March.	Kenya	5,694	,,		65/6	2,563	,,	,,	65/10
	Tanganyika	1,008	,,	,,	42/10	44		,,	84/3
	India	7,056	,,		70/2	3,960	,,	,,	78/5

INDIA IN THE UNITED KINGDOM MARKET

Appendix B sets forth the imports of staple Indian products into the United Kingdom for the three months January to March 1937 and for purposes of comparison gives the figures relating to such imports from India s principal rivals and the total imports into the United Kingdom market Similar figures for the year 1936 were given in the Appendix to the Quarterly Report for the quarter ending December 1936 but in order to give a complete account of India s export trade reference will be made to those figures where necessary and for facility of reference the figures are reproduced in Appendix B_1 to this report

From the economic developments discussed earlier in the chapter it will be observed that there was considerable business activity in the United Kingdom during the year under review which was not confined to one or two commodities but was widely spread Although the object of this section is to comment on the imports from India to the United Kingdom mention must be made of the considerable improvement in the total exports from the United Kingdom to other countries for these exports help to set up credits from which at least partially our imports are paid for The exports were the highest registered since 1930 and were valued at £441 000 000 approximately The expansion affected most of the items in the list of manufactures and raw materials

The industries connected with the re-armament programme the house-building industry and electrical industry with its subsidiaries showed considerably increased activity and set up a keen demand for raw material and wholly or mainly manufactured articles which represent a stage in the process of manufacturing the finished product The increased employment and general prosperity were reflected in the increased demand for foodstuffs Another striking feature in the United Kingdom market was the uniform and rapid rise in the prices of most of the commodities This however was not apparent throughout the year and actually made itself felt in the latter part of the year The first three months of the year witnessed a reaction against the steady rise in the second half of 1935 and prices showed a definite if small decline In spite of some improvement in April there was a set back in May but in the following months an upward movement commenced which has continued without any marked abatement until the end of March 1937 The advance in prices was definitely due to increased consumption and improvement in the statistical position of a number of commodities rather than to any speculative activities The greatest rise was in the cereal group 31.5 in December 1936 as compared with the position in the same month a year earlier The index for iron and steel prices showed an advance or 13.2% but the advance in the prices of copper lead and spelter was even higher Cotton advanced by 8.9 but the gain in the prices of other textiles such as wool and hemp was as high as 22.9% There was an appreciable rise in the price of plantation rubber

If then the broad features of the United Kingdom market are appreciated it will be easy to see why in respect of certain commodities the imports from India have shown an increase and it may be necessary to explain the causes of the decline in the import of certain other commodities. It will perhaps be convenient to study them under the following groups —

(1) Food Drink and Tobacco

(2) Seeds

(3) Textiles and Fibres

(4) Metals and Ores

(5) Hides and Skin

(6) Other Raw Material

(1) Food Drink and Tobacco

According to the classification followed by the Trade and Navigation Accounts published by the Board of Trade the imports from India to the United Kingdom under the group Grain and Flour have advanced in the quarter ending March 1937 to £544 102 as compared with £114 530 in the corresponding quarter in 1936 The corresponding figures for the calendar years 1935 and 1936 were £782 244 and £2 082 375 This increase in the total value of exports under the group Grain and Flour from India has been chiefly due to the increase in the volume and value of the exports of wheat from India to the United Kingdom as the following figures will show —

	1935	1936	1936 Jan to Mar	1937 Jan to Mar
Volume in cwts	158 969	3 258 392	Nil	739 995
Value	£56 429	£1 457 684	Nil	£361 063

This striking increase in the demand for Indian wheat is due to the shrinkage of the world s wheat output About March 1936 it was reported that the output of the chief exporting countries in the past two years was estimated to be 200 million bushels less than in 1933 North America has had a succession of bad crops during the last three or four years According to an unofficial estimate on the 31st March 1937 the yield of the American crop was expected to be 616 million bushels This is regarded as small Argentine is reported to require her wheat crop for internal consumption The purchase of wheat by Germany and Italy is stated to have been in excess of their present needs being required as an insurance against future contingencies All these circumstances have combined to pu h up prices of wheat but it must be remarked that throughout the year the wheat market showed in turns bullish and bearish tendencies and the pressure to sell on the one hand and the disinclination to buy on the other influenced and even brought about the lowering of prices Indian wheat came on the world market as soon as world prices reached a level attractive to Indian producers Indian wheat is not tenderable on contract at the Liverpool Exchange and the chief reasons for this position are understood to be (1) lack of steadiness and regularity in the supplies (2) the difficulty of storing it up for any length of time It will be recalled that in recent years owing to the local prices in India being more favourable than world prices the exports of whe t from India had practically ceased As regards the difficulties of storing wheat in thi country it has to be noted that it is cu tomary to store wheat in India in villages and it is alleged that the method and con

ditions of storage there are such that any further storage and warehousing in this country are rendered impossible Modern storing facilities at Karachi which is the chief wheat-exporting port should however make this complaint a thing of the past

Under some of the other principal items in this group Indian exports show a decline in quantity as well as in value The value of rice (whole husked and cleaned) exports declined from £403 656 in 1935 to £3 1 520 in 1936 and the quantity from 895 649 cwts to 62 704 cwts in the same period The corresponding figures for the quarters ending March 1936 and March 1937 are as follows —

	1936 (Jan to Mar)	1937 (Jan to Mar)
Quantity in cwt	166 776	163 238
Value	£79 110	£89 038

It will be observed that although the quantity has declined the value has increased as a result of the improvement in prices. The decline in exports of rice to this country is attributed by the trade partly to difficulties in finding tonnage and partly to increased consumption in India It is reported that the prices of rice though improved are not so attractive as those of some other export commodities for example wheat with the result that these are exported and the rice is consumed locally

Tobacco

In the calendar year 1936 the value of unmanufactured (strip) tobacco exported from British India increased from £321 660 to £399 141 while that of the unstripped variety declined from £90 226 to £41 542 In the first quarter of the year the value of the imports of unmanufactured stripped tobacco from British India declined from £36 011 to £23 536 On the other hand the value of the unmanufactured unstripped tobacco advanced from £1 160 to £2 837 According to the Board of Trade report the retained imports of unmanufactured tobacco from all countries have shown a substantial decrease in the first quarter of 1937 (343 000 cwts) as compared with the corresponding quarter of last year (541 000 cwts) due to a decline in imports from the United States in each month of the quarter However the average value of unmanufactured tobacco imported was generally about 2d per lb higher than in the previous year the increase being due partly to larger imports of stripped tobacco The interest taken by the manufacturers in this country in Indian tobacco to which a

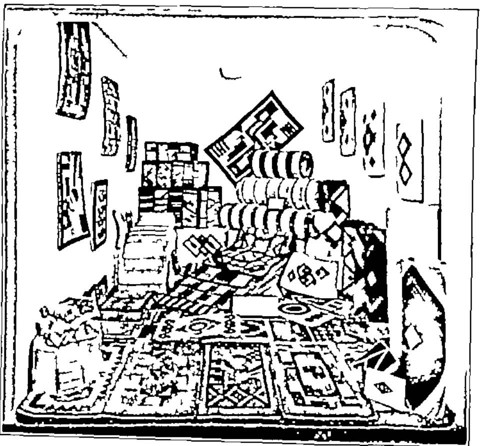
reference was made in last year's report continues unabated and during the year under review several manufacturers are reported to have sent their representatives to India to make enquiries on the spot Steps are also being taken to organise the tobacco trade in India and if these are successful and the quality of the tobacco shipped maintained Indian tobacco should be able to find even greater support in this country than it has in the past

Seeds

The exports of seeds from India to the United Kingdom are classified in the United Kingdom accounts under the heading Seeds and Nuts for Oil Oils Fats Resins and Gums The total value of the exports from India to the United Kingdom under this heading amounted to £1 468 958 in the first quarter of 1937 as against £967 985 in the same quarter in 1936 The corresponding figures for the calendar years 1935 and 1936 were £2 812 743 and £5 367 841 The imports of linseed from India to the United Kingdom advanced from 58 461 tons in 1935 to 221 602 tons in 1936 and in value from £664 686 to £2 864 240 Those from Argentine declined to 46 708 tons as against 195 308 tons in 1935 There has however been some reversal of this position in the first three months of 1937 when the corresponding figures for the two countries were as follow —

	1936	1937
	(Jan to Mar)	(Jan to Mar)
India	35 678 ton	33 194 tons
Argentine	35 995 tons	59 954 tons

The imports of ground nuts (decorticated) from India into the United Kingdom advanced from 23 557 tons in the first quarter of 1936 to 38 784 tons in the corresponding period of 1937 and in value from £320 815 to £568 733 The imports of ground-nuts (decorticated) from India to the United Kingdom in the calendar year 1936 amounted to 109 946 tons as against 89 894 tons in 1935 It will thus be seen that the increased demand set up in 1936 for Indian ground nuts is continuing in the first quarter of 1937 During the quarter ended March 1937 the price varied between £14 per ton and £16 13s 9d per ton According to the view of a well known oilseeds firm ' ground nuts at £16 are reasonable in price compared with palm kernel and copra They will therefore continue to attract attention especially as visible world stocks of oil oilseed and fats are still below normal



COIR & FIBRE SECTION   BRITISH INDUSTRIES FAIR, 1937

TEXTILES AND FIBRES

The value of the total import under the group Raw Cotton and Cotton Waste from British India to the United Kingdom has advanced from £3 678 802 in 1935 to £5 202 924 in 1936 The corresponding figures for the first quarter of 1936 and 1937 are £1 441 426 and £2 008 104 A reference to the Appendix will show that there has been a considerable increase in the imports of both the long staple and the short staple varieties The Lancashire Indian Cotton Committee has completed the third year of its working and at the request of the President of the Board of Trade is continuing its work of popularising Indian cotton although the Ottawa Trade Agreement terminated on the 13th November and has been replaced for the present by temporary arrangements According to the third annual report of the Lancashire Indian Cotton Committee the number of bales imported in the 1935-36 season was 547 000 as against 394 000 in the previous season It is understood that in the 1936-37 season the import of Indian cotton to the United Kingdom are expected to exceed considerably the number of bales registered as imported during the previous season A full account is given in the Annual Report of the methods by which the Lancashire Indian Cotton Committee seeks to popularise Indian cotton and need not be repeated here

The value of the imports from India to the United Kingdom under the group Wool raw and waste and Wool Packs advanced from £1 201 432 in 1935 to £1 714 804 This improvement is chiefly due to higher imports of raw wool other than merino and cross-bred from India to the United Kingdom which were valued at £1 627 772 in 1936 as against £1 162 329 in 1935 In the first three months of 1937 the imports of raw wool from British India into the United Kingdom were valued at £625 731 as against £304 967 It will thus be seen that the demand for Indian wool is continuing It is understood that Indian wool is stiff and rough compared with other wools and on this account it is in special demand for the purpose for which it is used namely for the manufacture of carpets The imports from India to the United Kingdom of carpets have also shown some improvement both in the calendar year 1936 and in the first quarter of 1937 The value advanced from £522 625 in 1935 to £554 669 in 1936 In the first quarter of 1937 these imports were valued at £157,938 as against £131 585 It has to be noted however that the carpets from Belgium have shown considerable improvement The imports of these latter advanced from 1 563 058 square yards in 1935 to 2 105 064 square yards in 1936 and in value from £237 390 to £352 748 This improvement has continued in the first three months of 1937 and the value during that period was £110 552 as against £ 3 808 in the same quarter last year

The value of the imports of other textile materials from British India into the United Kingdom advanced from £3 035 133 in 1935 to £3 500 454 and this increase has chiefly been accounted for by the increase in the value of the imports of raw jute from £2 004 235 in 1935 to £3 327 518 in 1936 The corresponding figure for the first quarter of 1937 was £1 648 973 as against £1 476 135 in the same quarter in 1936 The imports of the manufactures of other textile materials from India to the United Kingdom have also shown very considerable improvement Their value amounted to £3 278 666 in 1936 as against £2 353 501 in 1935 and to £938 556 in the first quarter of 1937 as against £818 168 in the same quarter in 1936 For instance the value of imports of jute piece goods alone from India to the United Kingdom advanced from £625 130 in 1935 to £1 130 643 in 1936 The value of the imports of sacks and bags advanced from £1 015 738 in 1935 to £1 353 185 in 1936

Metals and Ores

The price of base metals rose very considerably on account of the demand set up by industries connected with rearmament and consequently the imports from India into the United Kingdom of metals and ores improved considerably both as regards quantity and value The value of the imports of pig iron from British India into the United Kingdom more than doubled being £202 160 in 1935 and £402 204 in 1936 Similarly the value of the imports of pig lead from British India to the U K advanced from £593 710 in 1935 to £898 951 in 1936 Similarly the value of the imports of manganese ore increased from £460 577 in 1935 to £511 566 in 1936 For detailed information regarding these imports a reference is invited to Chapter VI written by the Minerals Adviser to the High Commissioner

Hides and Skins

The imports from British India into the United Kingdom of hides and skins showed an improvement under all the four sections —

(1) Goatskins dry and drysalted

(2) Hides leather undressed

(3) Goatskins leather undressed

(4) Sheepskin leather undressed

The value of the imports of dry and drysalted goatskins advanced from £435 567 in 1935 to £562 852 in 1936 The value showed a light decline in the first quarter of 1937 being £1·3 140 as against £178 769 in the same quarter The value of the total import of hides and skins undressed advanced from £1 034 912 in 1935 to £1 401 042 in 1936 The corresponding figures for the first quarter of 1937 were £647 479 as against £428 893 in the first quarter in 1936 The value of the imports of hide leather from British India rose from £1 234 617 in 1935 to £1 954 066 in 1936 the value in the first quarter of 1937 advancing to £581 860 a against £350 436 in the corresponding quarter in 1936 The value of goatskin leather from British India advanced from £821 384 to £1 219 311 in 1936 The corresponding figures for the first quarter of 1936 and 1937 are £196 471 and £269 513 Similarly the imports of sheepskins whole or split from British India showed very considerable improvement advancing from £724 449 in 1935 to £1 097 554 in 1936 The value of the imports in the first quarter of 1937 was £376 048 as against £272 933 in the first quarter of 1936 The total value of the imports of leather and manufactures thereof from India to the United Kingdom advanced from £3 108 033 in 1935 to £4 604 590 in 1936 For the first quarter of 1937 their value rose to £1 322 825 as compared with £900 545 in the corresponding quarter of 1936 It will thus be observed that the improvement shown by the group in 1936 has not shown any signs of slackening in the first three months of 1937 According to the report of one of the leading brokers all through the year in spite of the fact that Germany has been handicapped by restricted credits she has been the largest and most constant buyer of goat France has also been a good buyer while the home trade were keen buyers at a slightly lower level of values The American orders were again only on a small scale The bulk of the sheepskins has been secured by the home trade but fair orders were received from the Continent According to the same firm of brokers there is no reason why prices of goat should not be firm Sheep on the other hand have advanced so much towards the end of the year 1936 that there is a possibility of slightly lower rates especially for the better classes Imports of Indian chrome sides and calf showed a substantial increase in 1936 as compared with 1935 and there was every indication that this improvement would last in 1937

OTHER RAW MATERIALS

Shellac Seedlac and Sticklac

The total imports of shellac seedlac and sticklac from British India advanced from 86 707 cwt in 1935 to 128 899 cwts and the value advanced from £298 249 to £368 020 Although these

Kingdom ports in order that the market here might be tested and reported upon

KOKUM BUTTER

Enquiries were made on behalf of the London representative of an Indian firm for users of kokum butter which is used for flavouring foodstuffs chocolates etc It was found that there was little demand for it in this country Only one firm asked for samples. This enquiry was also passed on to the Trade Commissioners at Hamburg and Milan who supplied the names of several firms in various countries who expressed an interest in the matter

ORANGES

Arising out of previous correspondence with the Director of Agriculture North West Frontier Province it was ascertained that there would be no shipment of bitter oranges in the early part of 1937 Eight cases of sweet oranges from the Central Provinces were received by a Covent Garden firm The firm reported that the fruit was not suitable for the English market owing to its appearance and lack of flavour Subsequently advice was received from India that eight further cases of oranges had been despatched and a report will be furnished on this fruit in due course

RICE

A London firm expressed their desire to buy their supplies of Burma rice direct and not through brokers The names of several exporters in Burma were given Another London firm made enquiries regarding the supply of rice to the Indian troops in this country in connection with the Coronation as was done on a previous occasion The appropriate authority was approached and the enquiring firm was put in touch

RICE AND WHEAT STARCH AND GLUTEN

A full report and detailed analysis of samples of rice and wheat starch and gluten were obtained at the request of the Agricultural Marketing Adviser to the Government of India

TEA

A London firm anxious to act as selling agents in this country was given the names of several Indian exporters of tea A request from a firm of brokers was also received and the Director General of Commercial Intelligence and Statistics was asked to bring the enquiry to the notice of suitable firms in India

WHEAT

Six samples of wheat were sent to this country by the I C A R for tests to ascertain their milling and baking qualities A detailed report was obtained and sent to India

* Chapter III.—Agricultural Products—Industrial Materials

A few typical enquiries received for agricultural products which are in the nature of raw materials and some other general enquiries are given below

Artware

A London firm who had received a number of fancy articles from Kashmir with a view to opening up a market in the United Kingdom for Kashmir goods asked for names of buyers of such goods The names of some firms interested in such articles were furnished

Brassware

The names of exporters in India were furnished in response to an enquiry received from Vancouver B C Enquiries were made from India regarding retailer of fancy brassware in the Irish Free State In making the necessary investigation at this end a suggestion was received that in order to organise the sale of Indian brassware it would be valuable to appoint an Irish Free State national as an agent for the sale of such goods

Cotton Goods

In response to an enquiry from a London merchant the names of Indian manufacturers of singlets shirts etc suitable for the Sierra Leone market were furnished

The names of manufacturers and exporters in India of cotton piece goods and of cotton yarn were also given to enquirers in London

Cutch

The necessary information was given to a firm in Liverpool who wished to obtain supplies of cutch from Burma

Drugs

Several enquiries were received from United Kingdom firms for Podophyllum Emodii Root The names of exporters known to this office were furnished in each case and a reference was made to the Director General of Commercial Intelligence and Statistics on behalf of one of the firms who were also interested in cinchona bark

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* Chapter written by Mr Y N Sukthankar I.C.S Deputy Trade Commissioner

Three names of Indian exporters of drugs were suggested to an enquirer who wished to obtain the Indian drug Ephedra Gerardiana The Director-General of Commercial Intelligence and Statistics was also asked to bring this enquiry to the notice of firms in India

An enquiry from an English University for a small quantity of the Indian Clearing Nut (Strychnos Potatorum) for research purposes was referred to the I C A R

DYES

An enquiry from the Director-General of Commercial Intelligence and Statistics for names of firms interested in the import of kamala was circulated and the names of three United Kingdom firms who expressed an interest were furnished

FIBRES

The names of firms in India known to be interested in the export of sisal fibre were given to an enquirer in New York

GALL NUTS

A firm in Brooklyn U S A stated that they hoped to place an order for gall nuts with one of the Indian exporters whose names were suggested to them by this Department

HIDES AND SKINS

The names of importers in the United Kingdom of hides and skins were furnished in response to an enquiry from an Indian firm and an enquiry from the Director-General of Commercial Intelligence and Statistics for the names of firms interested in the import of Papra sheepskins was circulated

HATS

The Director-General of Commercial Intelligence and Statistics was asked on behalf of a firm in the United Kingdom for the names of exporters in India of beach hats and bags made from palm date leaves

INK

The Director-General of Commercial Intelligence and Statistics enquired whether Indian manufacturers of ink would be allowed to tender for the requirement of the United Kingdom Government It was ascertained that no departure from the policy of home manufacture was contemplated so long as competition was adequate and supplies satisfactory



GOVERNMENT OF INDIA DISPLAY NEWCASTLE-ON TYNE 1937

Jute

Names of exporters in India of jute were given to the Department of Overseas Trade on behalf of a firm in Colombia South America who intended starting a factory for the manufacture of bags

Jute Carpets

A firm in Lancashire who wished to purchase 300 rolls of jute carpet was given the names of suitable exporters in India

Jute Bags

The names of exporters in India of jute bags was given to an enquirer in London for client in Reunion Island

Leather

The names of suitable exporters in India of chrome leather glacé kid and box-calf were given to enquirers in the United Kingdom and the name of suitable importers in the United Kingdom of chrome leather were furnished to an enquirer in India There is a continued demand in the United Kingdom for the above classes of leather

Metal Drums

A firm of manufacturers in the United Kingdom of wood preservative asked for the names of makers in India of metal drums 1 gallon and 5 gallon capacity This enquiry was referred to the Director-General of Commercial Intelligence and Statistics who furnished the names of several firms

Mats and Mattings

A New York firm was given the names of suitable exporters in India of coir mats and mattings

Nicotine

Enquiries were made on behalf of the Director of Industries Bombay regarding importers in the United Kingdom of nicotine nicotine sulphate and nicotine insecticides The names of firms who expressed an interest were furnished

Oil

The names of exporters in India of groundnut oil were furnished to a firm in Glasgow with good connections among margarine and soap manufacturers who were anxious to secure a good source of supply

A firm in Bombay was given a list of toilet soap manufacturers perfumery manufacturers and druggists in Canada likely to be interested in the import of sandalwood oil

SAFFRON

Six firms in the United Kingdom expressed an interest in an enquiry from India for the names of importers of saffron It was found that supplies normally came from Spain but some difficulty regarding supply was being experienced at present owing to the disturbed state of that country

SEEDS

An enquiry for the names and addresses of local producers and collectors in India of dupal nuts (Vateria Indica) was referred to the Director-General of Commercial Intelligence and Statistics who furnished the name of a firm interested

The names of exporters in India of niger seed millet rapeseed and linseed were given to an enquirer in York

SPORTS GOODS

Information regarding the importation of sports goods into Russia were obtained for the Director-General of Commercial Intelligence and Statistics

TEXTILES

An enquiry was received from the Director-General of Commercial Intelligence and Statistics on behalf of manufacturers of seersucker cloth who wished to be put in touch with firms in London having organisations in America The names of four firms interested were communicated to India

The Director of Industries Central Provinces was furnished with the names of firms interested in the purchase of handloom product such as curtains bed spread and dhurries

TOBACCO

A London firm asked for samples of Indian leaf tobacco suitable for the market in British West Africa This request was referred to the Director General of Commercial Intelligence and Statistics who arranged with two Indian firms to send samples The tobacco sent was however much too light in body and colour for the West Coast trade Further samples of sucker air-cured dark tobacco were subsequently received and examined by the enquiring firm who expressed a wish to have further information on the matter

Interest in Indian tobacco has been very keen and several enquiries have been received from merchants in this country One enquiry was referred to the I C A R with samples of the tobacco required

Waste Roller Composition

The names of firms in the United Kingdom interested in the purchase of waste roller composition were furnished to a firm in Bombay

Miscellaneous

The names of exporters in India of various manufactured articles raw produce etc were given in response to an enquiry from a firm in Vancouver Three enquiries were also received from Cuba for exporters in India of vegetable oils rice jute bags burlap etc The necessary information was furnished in each case

Introductions

A representative of a London firm who had been given letters of introduction to the Director-General of Commercial Intelligence and Statistics the Directors of Industries of various Provinces and the Agricultural Marketing Adviser to the Government reported on his return to the United Kingdom after visiting India that he had established some good connections in regard to wool hides and skins etc His firm had also decided to open an office in Bombay He expressed his appreciation of the assistance given to him by this Department and the authorities in India

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* Chapter IV —Indian Timbers.

Imports of unmanufactured timber to the United Kingdom from all sources of supply during 1936 compare as follows with those of 1935 and the average imports of the 5-year period 1926 to 1930 —

Quantities in Thousands of Cubic Tons.

	Average 1926-30.	1935.	1936	Imports of 1936 compared with the average of 1926-30.
Hardwoods (hewn and sawn)	731	777	861	+ 130
Softwoods (hewn and sawn).	5,477	6,125	7,046	+ 1,569
Other descriptions	3,567	3,944	3,882	+ 315
Total	9,773	10,846	11,789	+ 2,014
Total Value (£ thousands)	44,020	35,516	43,568	— 452

Note —The figures for other than hard woods are approximate only in view of the different denominations used to express quantity

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* Chapter written by Sir H W A Watson Timber Adviser to the High Commissioner for India

Imports of manufacturers of wood and timber during 1936 were valued at £7 462 690 These include 14,292 347 cubic feet of plywood valued at £4 127 375

The above figures are given to illustrate the large quantities of timber required annually in the United Kingdom in addition to the home-grown timber output estimated at 750 000 tons

The volume of timber imported during 1936 was a record

Timber imported into the United Kingdom from India during 1936 compares as follow with the imports of 1935 and the average imports of the five years 1926-30 —

	Quantity in tons of 50 cubic feet.		
	Average 1926-30	1935	1936
Teak	34,634	36,418	46,625
Hardwoods other than Teak	2,55[illegible]	2,549	3,332
Miscellaneous	—	93	114
TOTAL	37 186	39,060	50,071
TOTAL VALUE £	971,800	662,965	936,035

NOTE.—The information for 1936 is Crown copyright and is reproduced with the permission of the Controller of His M jesty Stationery Office.

The timbers other than teak imported were chiefly gurjun pyinkado rosewood Indian silver greywood and laurel The increase was mainly under gurjun For thi the railway carriage and house flooring demand were responsible

There were heavy direct re-export of rosewood to the Conti nent toward the latter half of the year

Apart from teak and rosewood there was no appreciable increase in price Competition for the limited market keeps the price of gurjun low

Deliveries of timber through the agency of this Office were 1 241 tons in 1936-37 a against 1 0[illegible] tons in 1935-36

Sales were effected for [illegible] 4 [illegible] tons in 1936-37 as against 1 00[illegible] tons in 1935-36 The increase was under gurjun and Indian silver greywood There was a slight increase in the demand for laurel which was not by [illegible] through the usual trade channels in addition to those arranged through this Office

ENQUIRIES

Commercial enquiries for the year analyse as follows —

Enquiries resulting in sales	37
Enquiries for specified quantities of timber not resulting in sales	34
Tentative enquiries regarding supplies and production	10
	81

There were in addition the usual miscellaneous enquiries

There was an enquiry for 1,500 logs suitable for veneers but apart from the fact that the Indian demand absorbs all the [illegible] available the specification for logs for veneers is very high

PROPAGANDA

The principal shippers of Burma teak again staged a very effective display of Burma teak at the British Industries Fair at Olympia and teak was as usual conspicuous as garden furniture there Amongst veneers shown were some beautiful examples of Indian laurel and silver grey Generally however timber except in the form of furniture and fancy goods was not much in evidence at the Exhibition

Decorative timbers are used largely as veneers and Indian timbers silver grey laurel Kokko Andaman padauk rosewood and figured teak were fairly conspicuous as flush doors and panelling at the Building Exhibition at Olympia in September

The Timber Development Association continues its good work in the interests of timber Amongst other activities the Association financed a specially constructed railway carriage to tour the country and illustrate the uses and merits of wood

The monthly periodical *Wood* continues to maintain its exceptionally high standard of production and must have a considerable influence in educating the public on the possibilities and beauty of wood past present and prospective

The new escalators at Moorgate Underground Station have been constructed as a permanent exhibit of Empire hardwood Some 30 different hardwoods have been used in the form of veneers each labelled with its name These include Indian laurel Indian rosewood Indian silver greywood and teak figured and plain The escalators have aroused considerable interest and the London Passenger Transport Board have decided to panel the next four sets of escalators with Empire wood other than teak the principal and almost the only timber used hitherto Indian laurel will be used for the escalator at the Post Office Station

The Government of India donated silver greywood for the panelling of one of the rooms in the new building of the Royal Empire Society and the new headquarters of the Overseas League The panelling is in carefully selected veneer and the result is most effective

* Chapter V—Lac and Shellac.

1 The Lac Market

It was hoped that the shadow cast over the market by the London pool's holdings of TN would disappear in the course of the year owing to the absorption by the consuming trades. These hopes did not materialise and as will be seen from the subjoined table the year began and ended with practically the same stocks in hand at the very high figure of some 134 000 packages

Month.	London Prices shillings per cwt spot TN	London, in packages (TN).		
		Imports.	Deliveries from Stocks.	Stocks.
1936				
April	53/-	1,979	8,666	134,045
May	53/-	1,667	7,571	128,141
June	53/-	1,453	3,742	125,852
July	55/-	4,631	4,852	125,631
August	54/6	1,306	2,168	124 761
September	50/-	3,177	2,747	125,191
October	53/-	2,151	4,024	123,318
November	52/-	3,606	3,343	123,581
December	56/-	10,383	9,202	124,763
1937				
January	53/-	3,080	4 180	123,663
February	52/-	6,798	3,175	127,286
March	53/-	9,781	2,263	134,804

NOTE.—One package weighs $1\frac{1}{2}$ to 2 cwts.

The variations in the market price of TN in London were very small throughout the year and the practically straight line which represents the year's price curve constitutes a record in the history of the lac trade

Other records were also broken for at nearly 834 000 cwt the year's exports from Calcutta exceeded the previous record (1928-29) by 91 000 cwts Seedlac export too at 202 000 cwts surpassed all previous figures by a large margin though the actual ratio of shellac to seedlac exports showed little change

There is little doubt that the world's re-armament programmes were the principal contributory cause of this increase in India's lac export figures though the low price and the new possibilities for lac disclosed by research work and propaganda also played a part It only requires a modest increase in selling prices to put the lac industry into a very satisfactory position

* Chapter written by Mr A J Gibson F C H F L.S., Special Officer Lac Inquiry London Shellac Research Bureau

2 Lac Research in the United Kingdom

(a) General

The first triennium for lac research in the United Kingdom actually ended on 30th June 1936 but was continued for a month or two to round off the work being done Dr L C Verman left for India in May 1936 to take up a post in the new Industrial Research Bureau in Calcutta Dr Ali Karim returned to India on expiry of his contract early in August 1936 and Dr R Bhattacharya was given three months leave from the same date

The amended Indian Lac Cess Act (No IX of 1936) came into force on 23rd August 1936 By its provisions the Indian Lac Cess Committee was reconstituted and enlarged and the lac cess considerably increased thereby providing the Committee with a larger annual revenue for lac research

The Indian Lac Cess Committee at its meeting in October 1936 decided to transfer their lac research staff from the Paint Research Station Teddington to an independent Lac Research Laboratory which by the courtesy of the University College authorities was housed in the Chemical Engineering Department (the Sir William Ramsay Memorial Laboratories) of University College Gower Street London W C 1

The Indian research work on lac ceased at Messrs The British Thomson Houston Co Ltd s research laboratories at Rugby with Dr Karim s return to India and co-operative lac research with Messrs The Metropolitan Vickers Electrical Co Ltd and the Research Association of British Rubber Manufacturers was extended by the Indian Lac Cess Committee to June 1938

Work on the transfer of the laboratory from Teddington began early in December 1936 and by February 1937 research work was fully organised with the following staff —

- Dr R W Aldis Ph D D I C —Senior Research Worker
- Dr R Bhattacharya M Sc Ph D F I C —Research Worker
- Dr B S Gidvani B Sc Ph D D I C —Graduate Assistant
- Mr G D Heath B Sc A I C —Graduate Assistant

and

- Messrs F R Thompson and D Smith —Laboratory Assistants with
- Professor H E Watson and Mr M B Donald of the Chemical Engineering Department University College London in supervisory charge.

(b) The Work of the Special Officer Lac Inquiry

Mr A J Gibson was in charge of the duties of the post of Special Officer Lac Inquiry throughout the year Work proceeded and was developed on the line already established and knowledge of lac disseminated by means of personal contacts articles and reviews in the European technical Press exhibitions the ascertaining of the consumer s point of view by tours in the United Kingdom and Europe and by correspondence and considerable work on committees to further the policy of preparing buying specifications for types of lac best suited for specific lac consuming industries

The work of the year was to some extent disorganised by the changes referred to in the previous section but notwithstanding this solid progress can be recorded as may be seen from the following details

Lac exhibits were prepared and seen by many people at the —

Open Week Paint Research Station Teddington in May 1936

Lilleshall Hall Newport Shropshire in June 1936

Furniture Manufacturers Association s Exhibition Olympia in January 1937 and the

British Industries Fair Olympia in February 1937

These resulted in useful enquiries and contacts

During the year the Special Officer Lac Inquiry had 228 callers at India House paid 95 works and business visits and attended 57 meetings A great many routine and small enquiries were disposed of over the telephone (178) The number of letters received and issued exceeded 9 000 quite apart from reports abstracts and translations

A comprehensive exhibit of articles illustrating the use of lac in industry was sent in September 1936 by the Special Officer Lac Inquiry to the Director of the Indian Lac Research Institute for exhibition purposes in India By the courtesy of the British manufacturers concerned (all on the Special Officer Lac Inquiry s mailing list) this exhibit was got together free of charge



BIRMINGHAM. MIDLAND GROCERS EXHIBITION JANUARY 1937

Of the Press articles, discussions and lectures of the year the following are the most important :—

"The Indian Lac Industry" (Paint Manufacture, August 1936).

"Shellac, Shellac Research and the Application of Shellac in Modern Industry" (Northampton Technical College, November 1936).

"Shellac" (Oil and Colour Chemists' Association, Manchester, November 1936).

"Natural Resins and Shellac" (Institute of Mechanical Engineers Symposium on Plastics, January 1937).

As in previous years the principal lac crop forecast reports were summarised and appeared in the technical papers in the United Kingdom, France, Germany, Russia and Italy.

Only one European tour was undertaken during the year, in May 1936, covering Germany, Belgium and Paris, when the work discussed in last year's report was further developed.

The "Index of Minor Forest Products of the British Empire" was published by the Imperial Economic Committee in August 1936, thus bringing to a successful end two years of considerable effort and work.

The standardization of lac and the preparation of buying specifications for lac products for use in industry was the subject of considerable committee work during the year. The British Electrical and Allied Industries Research Association completed tentative buying specification No. A/S46 for pure lac for electrical insulating purposes during the year. It has been forwarded by the British Standards Institution, acting as the British National Committee of the International Electro-technical Commission, to all the national committees of the latter body for study and criticism and ultimate acceptance as an international specification. The same specification is being considered by the British Standards Institution with a view to its forming a B.S.I. standard. Consideration is also being given to the revision of buying specifications for lac in the defence departments and this matter has been referred for a report to B.S.I. Committee B_1 Paints and Varnishes.

These activities will do much to make known the valuable properties possessed by lac when it is suitably processed or modified, as also when marketed in a fresh and unadulterated condition true to species and crop. B.S.I. Committee C/20 and PI/10/1 is now dealing with resins in moulding powders. The Special Officer, Lac Inquiry, takes part in the deliberations of all these committees.

The demand for publications of the London Shellac Research Bureau is increasing and forms a most useful type of propaganda.

doing much to remove the erroneous idea prevalent among certain firms and in certain countries that lac is a dead or at best a dying industry These publications are issued free to a carefully selected mailing list and the money so spent is money well spent in the campaign for keeping the Indian lac industry in a position of prominence

(c) *The Synthetic Resin Industry*

There has been no cessation in the expansion of this young and virile branch of applied chemical research The Special Officer Lac Inquiry briefly reviewed the subject in a recent paper (The Natural Resins and Shellac see the Journal of the Society of Chemical Industry 8th May 1937 LVI 19 P 439) and further particulars will be available in the detailed report of the London Shellac Research Bureau for 1936-37 now in preparation

(d) *Lac Research in the United Kingdom*

As already stated the year was mainly one of rounding off the work of the first triennium and of preparation for a second period Details are available in the six monthly progress reports of Messrs The British Thomson Houston Co Ltd and the Paint Research Station for the period January to June 1936 and the monthly progress reports for July November and December 1936 and January to March 1937 Co-ordinated lac research work with the Metropolitan Vickers Electrical Co Ltd and the Research Association of British Rubber Manufacturers has similarly been recorded and circulated to the authorities concerned in six monthly reports

The published research work of the year is mentioned elsewhere in this chapter At the Paint Research Station Teddington and at University College London work was continued according to the sanctioned research programme given in last year s report Dr Bhattacharya continued his studies on the constitution of lac and confirmed the existence of Nagel s shellolic acid (see Chemistry and Industry 1936 55 No 16 p 309) Considerable ad hoc work was done including the proofing of jute fabric with modified lac compounds preparing bituminous surfaces for painting with light colours by using undercoats of shellac varnishes preparing bottom finishes for shoes using a lac base and making photographic anti halation backing compositions with lac as an ingredient

An interesting development in the making of hard lac resin has been the development of a process of extraction of whole lac with aqueous buffer solutions This is a cheap method and Messrs The Metropolitan Vickers Electrical Co Ltd are testing a large sample of the resin for its electrical properties

At Messrs The British Thomson Houston Co Ltd research laboratory Dr Karim continued his work on the chemistry of lac by a study of the individual lac components derived from the groups of constituents obtained by selective solvent extraction and also on the mechanical and electrical properties of lac This work is also being carried out in America while electrical testing is also being done in Italy and Germany as part of the programme of the International Electrotechnical Commission s Advisory Committee No 15—Shellac of which the Special Officer Lac Enquiry is the chairman

At Messrs The Metropolitan Vickers Electrical Co, Ltd research laboratorie at Trafford Park Manchester preliminary trials of trichlorethylene-extracted Hard Lac Resin were sufficiently encouraging to justify further work within the scope of the programme —

(i) The development of Hard Lac Resin as a bonder for shellac paper tubes
(ii) As a dry bonder for micanite sheet
(iii) As a bonder for micafolium
(iv) For improving insulating varnishes possibly with certain plasticisers
(v) Coating of thin metal foils for use on condenser bushings and food packing industry
(vi) Comparative measurements of the electrical characteristics of specially manufactured lac resins
(vii) Purification of the lac residue from Hard Lac Resin manufacture by steam distillation and the application of the product or products produced
(viii) Production of jute-lac wallboards

The Research Association of British Rubber Manufacturers have been working steadily on the sanctioned programme (see Research Association of British Rubber Manufacturers Report Nos M 1043 dated 22nd July 1936 and M 1150 dated 2nd January 1937) and though progress has been slow it has been sure Lac products are definitely being used in the rubber manufacturing industries but the methods of application are not easily ascertainable

Tests on moulding powders supplied by the Director of the Indian Lac Research Institute to the Special Officer Lac Inquiry have given good results at Messrs The Metropolitan-Vickers Electrical Co Ltd s laboratories (an acetone-extracted urea treated Hard Lac Resin) and in injection mouldings at Messrs Eckert & Ziegler s works near Cologne Germany (a high flow shellac wood flour moulding powder)

This brief summary gives some idea of the wide field being covered by lac research in the United Kingdom generally with encouraging results

The Bureau issued the following publications during the year while papers nearing the publication stage (that is in circulation in draft prior to publication) are given in the second part of the list —

(a) Technical Paper No 7
Fundamental Physical Properties of Lac—Part III—Electrical Properties by Dr L C Verman (issued May 1936)

Technical Paper No 8
Darkening of Lac Solutions and the Effect of Oxalic Acid Thereon by Dr L C Verman and Dr R Bhattacharya (issued May 1936)

Technical Paper No 9
Plasticising Lac Films —Part I by Dr L C Verman and Dr R Bhattacharya (issued June 1936)

Technical Paper No 10
Fundamental Physical Properties of Lac—Part IV—Optical Properties by Dr L C Verman (issued July 1936)

Abstracts bearing on Shellac Research Literature for the period 1st January to 30th June 1936 (issued September 1936)

Abstracts bearing on Shellac Research Literature for the period 1st July to 31st December 1936 (with author and subject index for the whole year) (issued February 1937)

(b) Technical Paper No
The Properties of Pure (Hard) Lac Resin by Dr L C Verman

Technical Paper No
Hardening of Lac by Dr L C Verman and Dr R Bhattacharya

Technical Paper No
Modification of Lac with Higher Fatty Acids and Their Mixed Glycerol Esters —Part I by Dr R Bhattacharya.

Technical Paper No
Viscosity of Lac and Hard Lac Resin Solutions by Dr L C Verman

Owing to the continued demands reprints of the following papers were prepared during the year:—

Technical Paper No 2
Identification and Analysis of Lac by Dr R Bhattacharya (Second Edition June 1936)

Technical Paper No 3
Fundamental Physical Properties of Lac—Part I—Mechanical Properties by Dr L C Verman (Second Edition July 1936)

(c) Co-operation with the Indian Lac Research Institute Ranchi and the New York Shellac Research Bureau Brooklyn, New York

Contact was maintained as usual by means of letters reports exchange of literature and circulation of papers for criticism prior to publication One of the greatest needs which has declared itself as a result of lac research activities in India America and the United Kingdom, as also in Germany and Italy is the development of a common indexing plan for research results Such a plan is under consideration

*Chapter VI.—Indian Minerals—General

The year under review witnessed a phenomenal rise in the prices of base metal During the earlier months the rise was fairly gradual becoming more marked in the autumn and winter until boom conditions prevailed for a short time Stimulation of markets was due to the tripartite agreement on currencies the announcement of the Government's re-armament programme a genuine demand from consumers coupled with a burst of speculation. The highest point was reached in the second week of March 1937 when the spot price for copper was £77 6s 3d tin £303 17s 6d lead (soft foreign) £36 5s and zinc £37 and these may be compared with prices prevailing on 1st April 1936 copper £36 0s 4½d tin £213 5s lead £16 7s 6d and zinc £15 12s 6d In spite of talk of still higher increases the boom did not persist Unduly high prices stimulate the development of fresh sources of supply as well as the search for substitutes and prepare the way for over production and it is generally much easier to increase supplies than to curtail them

The demand for re-armament supplies has led to a considerable rise in the prices of Wolfram and Manganese ore the former has risen from 33s 0d to 65s per unit and the latter for 50% ore from 1s to 1s 7½d per unit and for 48% ore from 11d to 1s 5d per unit The effect of the rise in the price of manganese ore to the producer is to some extent offset by the increase in freight rates

*Chapter written by Mr G H Tipper I G S Mineral Adviser to the High Commissioner for India.

Chromite has risen only slightly in value from 82s 6d to 90s per ton for 48% ore

Total exports of manganese ore from British Indian ports decreased slightly during the year and this decrease can be accounted for partly by freight difficulties Imports into the United Kingdom increased by 18 000 to 207 000 tons Russia with her enormous iron and steel projects is now consuming a large proportion of her own manganese ore and exports are no longer of the size they were in the past although still of importance in the world s markets The South African mines in 1936 produced 284 667 and exported 229 105 tons, of which 48 525 tons went to the U S A and 32 420 tons to Germany The ferruginous manganese ores from Sinai were once more exploited

Exports of pig iron from India increased and amounted to 615 965 tons Japan was again the best customer and took 307 816 tons while the share of the United Kingdom was more than doubled from 65 763 tons to 160 571 tons

Throughout the world there is a shortage of ferrous scrap and prices are high Japan has for several years taken almost the whole of India s exports under this head

The figures for the export of mica provide evidence of the continued prosperity of the electrical industries The exports amounted to 177 862 cwts of which 27,235 cwts were block and 150 447 cwts splittings The United States of America was the best customer taking 52% of the total while the United Kingdom imported 24%

The trade in granite kerbs and setts showed a slight increase to 12 895 tons all to the United Kingdom

After many months of negotiation with Siam the International Tin Restriction was renewed from 1st January 1937 for five years A standard tonnage of 18 500 with a minimum quota of 11 000 tons is allotted to Siam while the Belgian Congo gets 13,200 tons and French Indo-China 3 000 tons The new scheme provides for *inter alia*, majority voting and has the interesting clause that if production from non restricting countries over a period of six consecutive months exceeds 15% of the world s production or 12 500 tons of tin whichever is less any signatory country may give six months notice of withdrawal The objects of the scheme are again regulation of production and exports from producing countries adjustment of output to consumption prevention of severe oscillations in price and the maintenance of reasonable stocks

It is interesting to note that during the period of negotiations with Siam and the en uing un rtainty the price of tin varied with the fears and hopes f th cut me The consen u of opinion was in favour of renewal During the period of soaring prices a deman l for a essati n f restri ti n wa made which however immediat ly eased when p i es began to sag

The control scheme f r pper which is voluntary and only affect producer out ide the U S A wa renewed in April 1936 until the 1st July 1938 Control was temporarily relaxed in January 193 following the vent of the autumn

Commercial Enquiries

The number of enquiries addressed to the Minerals Adviser increased further luring the year and as usual covered a wide field Reque t for personal interviews were much more numerous and there is no doubt that this i the most satisfactory means of receiving and giving information The year s work may thus be summarised 90 interviews were arranged 98 enquiries were received and answered by telephone and a similar number by post Stati tics relating to many Indian minerals and products were distributed Analyses of the following were supplied bauxite barytes brines beryl coal kyanite manganese ores salt and zeolites Information on the geological occurrence and possibilities in India was furnished for barytes chromite coal ilmenite manganese ores mica monazite saltpetre and wolfram

Ten specimens were sent from India for commercial valuation and these included bentonite Fuller s earth chromite ochres and semi precious stones

In order of importance from the point of view of number of enquiries the following minerals among others were the subject of requests from firms in the United Kingdom and abroad for names of Indian suppliers Mica barytes kyanite ilmenite beryl manganese dioxide steatite and wolfram

From India requests for markets in this country and abroad related to the following Bentonite beryl granite mica chromite semi precious stones manganese ores wolfram and many others

The following special enquiries are of interest raw material for electrode making in India chlorine manufacture from salt brines cement manufacture in South India bromine from the bitterns of the Rann of Cutch special processes of coal distilla

tion and carbonisation The most difficult requests are those asking for advice on machinery for mining and mineral treatment and for technical assistance

Tests on bauxite referred to in last year's report were completed but were unfortunately unsuccessful The vanadiferous iron ores from Singhbhum are now being examined by a large firm of ferro-alloy makers in England

The following table gives a digest of the work done —

Enquiries from the United Kingdom U S A and the Continent for exporters of Indian minerals	72
Enquiries regarding occurrence extent and reserves Indian minerals	12
Enquiries from India for names of importing merchants abroad	55
Samples received for commercial valuation	10
Requests for analyses of Indian minerals	16
Enquiries for statistics	26
Miscellaneous enquiries (mining and prospecting leases, tariffs general mining questions etc)	18

Publicity

As an experiment a display of minerals was shown at the British Industries Fair at Olympia in February 1937 The number of enquiries so received exceeded all expectations and the practice will be continued An account of Burma's minerals was included in the special Burma number of *The Times* and an introductory account of the Indian mineral position has been contributed to the revised edition of the Mineral Survey of the Empire published by the Imperial Institute A review of the Quinquennial Review of Mineral Production was contributed to the Press In addition, information of a technical character was widely distributed

Committees

The reorganisation of the Committee work at the Imperial Institute was noted in the last report In consequence the Minerals Adviser attended three meetings of the Advisory Council on Minerals and one or more meetings of the Technical Committees

Imperial Institute.

Enquiries from India received at the Institute are now transferred to the Minerals Adviser This is a convenient place in which to thank the Mineral Resources Department of the British Institute for help most freely given

* Chapter VII —Trade Publicity

The grant for Trade Publicity was the same as last year, viz £4,000 Of this 9 ^ was spent on participation in Exhibitions and Fairs and reports on those which were held in the first nine months of the year have already been published in the Indian Trade Journal During the last quarter—January to March—we participated in three Exhibitions The reports on these are given below —

(1) Birmingham and Midland Grocers Exhibition 19th to 30th January 1937

We have been participating in this exhibition for some years past It is essentially a trade show being organised by the Birmingham and Midland Grocers and Allied Trades Association There was an Empire Section in which we occupied a stand with an area of 326 square feet The exhibition was very well attended by the trade A comprehensive range of Indian foodstuffs was shown the exhibits having been supplied by 15 firms

The Lord Mayor of Birmingham performed the opening ceremony He visited our stand and was shown samples of our specialities Owing to the comparatively small public attendance the sale of samples did not amount to much Only 703 samples, to the value of £14 were sold of which the majority were samples of chutneys and sauces cashew nuts and tea

Invitations were issued to important tradesmen in Birmingham and surrounding district and most of them being members of the Grocers Association visited the show Personal calls were also made in several cases In all 44 tradesmen were visited and 37 trade enquiries were received as detailed below —

Chutneys and condiments	10 enquiries
Tinned fruit jams etc	8
Cashew nuts	4
Tea	8
Rice	4
Cigars	2
	37

The enquiries were dealt with on the spot details of importers and wholesale terms etc being supplied directly

Two of the largest wholesale grocers in Birmingham were successfully canvassed and some trial orders in new lines were secured from them At last year's exhibition connections were

* This chapter is prepared by Mr R D Ash M.B.E., Indian Trade Publicity Officer

established with three large tradesmen in the town and these were re-visited this year and were found to be keeping up the connections Outlying districts like Wolverhampton Leamington Coventry etc were also visited and the important tradesmen in these places canvassed One large firm of multiple grocers in Wolverhampton was persuaded to place a trial order for cashew nuts and tinned mangoes One local tobacconist firm with whom contact for cigars was established last year was visited again It was learnt that they did not have much success with our lines as the demand was only occasional They were however keeping up the connection and stocking some Indian cigars The following new connections were established —

Chutney	2 firms
Tea	1 firm
Cashews	2 firms
Tinned fruit condiments etc	2 firms

Most of our stock of chutneys tea etc was taken over by two local firms at the end of the show

The cost of the exhibition amounted to £190

(2) British Industries Fair London 15th to 26th February 1937

Our participation in this Fair was on a larger scale than before the space occupied being 3 786 square feet as against 2 986 square feet at the previous fair At the last fair we had stands in four different sections to which two more sections viz Leather and Fancy Goods Sections were added this time The space in the various sections was as follows —

General Merchandise Section	1 441 sq ft
Sports Goods Section	617
Leather Goods Section	246
Fancy Goods Section	352
Carpet Section	822
Empire Section	308
Total	3 786 sq ft

The General Merchandise Section was sub-divided into six separate stalls one of which was assigned to a group of Burma teak shippers to demonstrate some of the more popular uses of teak and one was allotted to the London Agent of the Bihar and Orissa Cottage Industries the U P Arts and Crafts Emporium Lucknow and the Victoria Technical Institute of Madras One stall was set apart for coffee propaganda under the charge of the Director Indian Coffee Market Expansion Board Coffee making

demon tration formed a pecial feature of this stall and cups of Indian coffee were distributed so as to popularise this beverage The remaining three tall in this section were assigned to (1) Food product and soap and toilet preparations (2) tropical helmets and (3) raw products and mineral This was the first time that a comprehensive display of raw products was made at the Fair and the result produced were good

The Sport Section was subdivided into eight separate stalls each being assigned to a separate exhibitor of sports goods and the Carpet Section was divided into three stalls two of which were reserved for coir mat and matting and one for carpets and rugs

Thus we had 20 separate stalls in all showing exhibits of 65 firms as compared with 16 stalls and 53 exhibitors at the previous fair The various exhibits which were shown and the number of exhibitors are given below —

Exhibits	No of Exhibitors
(1) Food product comprising rice tea coffee spices curry powders and condiments poppodum Bombay ducks jams jellies chutneys pickles sauces canned fruits nuts cigars and cheroots	15
(2) Soaps and toilet preparations	1
(3) Raw products and minerals	8
(4) Teak and teak products	4
(5) Tropical hats	1
(6) Silks and brocades	2
(7) Leather and leather manufactures and myrabolam extract	6
(8) Sports goods comprising tennis rackets and guts, football cases cricket bats and balls hockey sticks polo canes and balls	10
(9) Fancy goods comprising brassware inlaid and carved woodware papier mâché ware and rag dolls	9
(10) Needlework (lace)	4
(11) Kashmir embroideries	1
(12) Coir mats and matting	2
(13) Carpets and rugs	2
	65

Of these 65 exhibitors 16 firms were exhibiting for the first time viz four in the Fancy Good Section two in Lace two in Silk three in Mineral two in Leather two in Sport Good and one in Coir and Fibre

Trade enquiries to the number of 417 were received as against 441 at the preceding fair This decrease was mainly due to the fact that the last year's figure included a number of enquiries for furs As no furs were exhibited this time—none of a satisfactory standard having been received—there were no enquiries for them. The enquiries were as follows –

	Enquiries
Sports goods	133
Coco mats and matting	73
Carpets and rugs	28
Silks	8
Hats	11
Cigars	14
Resins gums shellac etc	25
Oils and oil seeds	19
Nuts	11
Seeds and cereals	5
Spices	3
Myrobolam and myrabolam extract	11
Rice	3
Condiments	1
Tea	3
Tinned fruit and jams	1
Leathers	36
Leather goods	2
Cotton	11
Minerals	10
Coir and fibre yarn and hemp	5
French chalk	2
Jute	1
Bentonite	1
Total	417

Of these enquiries 76¾% came from the United Kingdom and the remainder from other countries The percentage of enquiries from other countries was a little smaller than in the previous

year being 23¼% as against 26% last year. Of these 10¾ were from the Continent and 13¼ from countries such as Egypt, South Africa, Algiers, U.S.A., etc. A list of countries other than U.K. from which these enquiries originated is as under —

Country	No. of Enquiries	Articles
Belgium	12	Sport goods, nuts, tea, leathers and cotton
Sweden	13	Sport goods, oils and oil seeds, nuts, spices, leathers, minerals and leather goods
Norway	5	Cotton and sports goods
Poland	12	Shellac, gums, nuts, myrabolams, leathers, minerals, mica, jute and bentonite
Germany	3	Oils and oil seeds and leathers
Denmark	1	Cotton
France	8	Leathers and sports goods
Holland	6	Minerals and mica, leathers, oils and oil seeds
Finland	3	Shellac, nuts and spices
Hungary	1	Shellac
Czecho Slovakia	6	Mineral oils, leathers, myrabolams
Lithuania	1	Cotton
Austria	1	Minerals
U. S. A.	8	Sports goods and leathers
Egypt	1	Oil and oil seeds
Algiers	1	Rice
South Africa	1	Leathers
Other countries	10	Sports goods, mats, carpets, hats, cigars, etc.

The amount of business done in the form of orders booked at various stand was Rs 63 135 which was 40% more than last year's figure and 68% more than the year before as shown below —

	1935 Fair	1936 Fair	1937 Fair
Coir and fibre goods	Nil	Rs 4 000	Rs 8 900
Carpets and rugs	Rs 8 000	Rs 10 650	Rs 13 200
Brassware	Rs 22 400	Rs 15 000	Rs 11 672
Inlaid and carved wood work	Rs 2 300	Rs 1 870	Rs 4 500
Lace	Rs 2 100	Rs 3 330	Rs 2 070
Sports goods	Rs 2 700	Rs 8 240	Rs 14 580
Furs and skins	Nil	R 2 000	Nil
Kashmir work		Nil	Rs 670
Embroideries and silks			Rs 1 985
Cigars			Rs 900
Miscellaneous (hats ochre oakum etc)			Rs 4 658
Total	Rs 37 500	Rs 45 090	Rs 63 135

One hundred and ninety three orders were booked of which 68 were from new customers Thirty-eight new connections were formed for fancy goods and art ware (including one from Australia and one from France) two for lace 14 for sports goods eight for carpets (including one from France and one from Australia) and six for silks (including three from France) All these were sample orders which might result in extended business if the samples proved satisfactory

It will be noticed that there was a fairly big drop in the orders for brassware and this drop has been continuing for the past three years It is difficult to account for this drop unless it is due to the fact that connections having already been established the buyers place their orders direct with the manufacturers It may be added however that although the total value of the orders received was less than formerly a number of new connections were formed There was also a big drop in the orders for lace which was due mainly to the same cause as in the case of brassware The bulk of these goods consisted of d oyleys together with a few specimens of edgings for tablecloths and ladies blouses etc The latter though cheaper than similar articles on the market were inferior in quality and doyleys alone cannot command a wide market in this country There

could therefore never be a big business in this class of goods unless better material is used and a wider range is produced With these exception the other goods fared much better than in previous fairs Carpets showed an increase of 24% and coir mats 122½ as compared with the previous fair There was an increase of [illegible] in the orders for sports goods and 140% in carved and inlaid woodwork Hand painted silks from Bengal which were exhibited for the first time met with a fairly good demand Oakum and ochre which were also exhibited for the first time secured good trial orders which according to the exhibitor are likely to be followed by substantial business On the whole the results were much better than those of the previous fair

In the Foodstuffs Section samples of condiments tinned fruit rice tea nuts cigars etc were sold as usual and a sum of £171 was realised as against £165 last year The sales are detailed below —

Commodity	No of Sample	Value
Chutneys and sauces	1 198	£20
Curry powders and spices	434	£15
Tea	1 088	£16
Rice	290	£5
Cashew nuts	70	£3
Poppadums and Bombay duck	41	£2
Tinned fruit	72	£7
Jams and jellies	92	£3
Cigars	5 171	£90
Miscellaneous	80	£10
	8 554	£171

Besides these sample sales exhibits of fancy goods (brassware woodwork etc) were also sold to the value of £220 making a total sale of £391

Their Majesties the *King* and *Queen* and *other members of* the Royal Family visited our stand and made some purchases

The cost of participation amounted to £1 498 as against £1 065 last year

(3) The Coronation Modern Homes and Building Exhibition Plymouth 10th to 20th March 1937

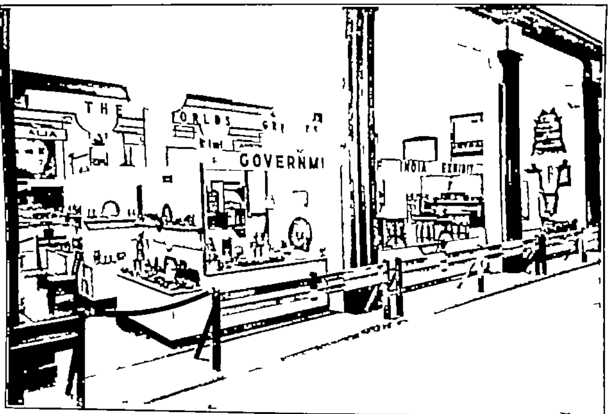
Our stall at this exhibition had an area of 350 square feet The exhibits which were supplied by 23 firms included the usual range of Indian foodstuffs and cigars as well as carpets and rugs coco mats matting silks fancy goods (brassware) carved and inlaid woodwork soaps etc Samples were sold to the value of £58 of which cigars contributed nearly one-third The other samples which were sold in fairly large numbers were those of tea chutneys and curry powders and cashew nuts A few samples of soaps were also sold In addition to the samples of foodstuffs, some exhibits of rugs silks and brassware of the value of £23 were disposed of

Thirty four tradesmen in Plymouth and nine in Exeter were visited as a result of which four new connections were formed one each for cashew nuts rice coir mats and condiments Thirty five trade enquiries were received as follows —

Chutney	7
Curry powder	5
Tinned fruit	4
Cigars	4
Tea	3
Coffee	2
Carpets and mats	5
Fancy good	3
Total	33

Some of the more important coffee merchants in the district were interviewed in company with the Director of the Indian Coffee Propaganda in London who also was exhibiting at the how Three of the firms so visited agreed to stock Indian coffee Canvassing for coffee was also done at Exeter It appeared that the coffee trade in this district was mostly in the Kenya and Costa Rica varieties The tradesmen however showed interest in Indian coffee and they were put in touch with the Director of Indian Coffee Propaganda

The local high-class fancy goods dealers were also canvassed and it was found that there was very little demand for Indian bra sware On the other hand it was learnt from three of the high-class furni hing concerns in the town that there was a very good sale for medium priced Indian carpets and for coir mats The prices of Indian fibre mats and rugs were found to be nearly



CANADIAN NATIONAL EXHIBITION TORONTO 1936.

20% cheaper than those of the British mats and rugs The firm whose mat were exhibited at our stall was accordingly introduced to a large wholesale warehouse in the town and this introduction resulted in an order for mats and matting It will be remembered that a contract was formed last year with a large retailer in the town for carpets and coir mats He was found to be still stocking these lines and it was learnt from our exhibitors that they had experienced an increasing demand from the retailers for these goods

The Bengal silks were found to be too costly for instance whereas an Indian silk scarf was quoted at 6s wholesale a corresponding English scarf was quoted at 3s No business was therefore possible under such conditions and the exhibitor was advised of the position

The cost of the participation amounted to £210

General Remarks

The total number of exhibitions undertaken during the year under review was 14 which was the same as last year They were as follows —

1 London Empire Vegetable Fibres Exhibition 26th March—9th April 1936
2 Plymouth Modern Homes and Building Exhibition 22nd April—2nd May 1936
3 Hull. Shop Display 13th—27th June 1936
4 Aldershot Show 2nd—4th July 1936
5 Lilleshall (Salop) Dominion and Colonial Exhibition 5th—27th July 1936
6 Toronto Canadian National Exhibition August 1936
7 London International Grocers Exhibition Agricultural Hall 10th—25th September 1936
8 Leicester Home Life Exhibition 2nd—19th September 1936
9 Leeds Brighter Homes Exhibition 6th—17th October 1936
10 Edinburgh Ideal Homes Exhibition 31st October—14th November 1936
11 Newcastle. Brighter Homes Exhibition 3rd—14th November 1936
12 Birmingham Midland Grocers Exhibition 19th—30th January 1937
13 London British Industries Fair 15th—26th February 1937
14 Plymouth Coronation Modern Homes Exhibition 10th—20th March 1937

The total cost of these exhibitions amounted to £3 934 Of thi amount on an average 60% was spent on the rent of space erection of stands electricity charges etc the balance being absorbed by other items such as staff supervision transport advertisement labour etc About 37% of the total expenditure was incurred in participation in the British Industries Fair which as usual i the largest and most important The next in order of cost was the Canadian National Exhibition Toronto costing over £500 Of the exhibitions in the United Kingdom the Hull Shop Display was the most costly with an expenditure of £235 the next in order being Plymouth Exhibition 1937 (£210) Plymouth 1936 (£197) Birmingham Grocers Exhibition (£190) Leeds and Edinburgh Exhibitions (£185 each) New castle (£175) International Grocers Exhibition (£90) Empire Vegetable Fibres Exhibition (£82) and the Aldershot Show (£35) Besides participating in these exhibitions we took part in four minor shows in the form of Empire displays at departmental stores in London and the Provinces

Exhibits and Exhibitors

Among the new types of exhibits received this year from India were silks and brocades vegetable fibres (jute hemp etc) silica mica chrome manganese ore myrabolam and tanning materials ochre and oakum walnut carvings pith helmets and dolls Good enquiries were received for most of the new exhibit of drugs and raw products and considerable interest was attracted by the display of silks and brocades A few orders were also taken for these commodities as will be seen from the figures already given

Sales of Samples

The practice of selling samples of food products etc at our stands was continued during the past year and it is estimated that about 32 000 customers were served during the year The sales of foodstuffs samples realised £590 as against £775 last year Among the exhibitions in the United Kingdom the British Industries Fair (where £171 were realised) showed the best foodstuff sales as usual the next best being the Hull Shop Display where £91 were realised in foodstuffs The next in order was the Edinburgh (£88) Newcastle (£70) Plymouth Exhibition 1936 (April) (£51) Leicester (£50) Lilleshall and Aldershot Exhibition (£40 each) The best sellers among the commodities proved to be cigars chutneys sauces and tea During the year under review 5 732 cigars were sold to the value of £170 a against 10 680 cigars la t year to the value of £172 Five thousand seven hundred sample of chutneys to the value of £160 were sold this year a again t 6 000 samples to the value of £180 la t year 5 300 samples of tea to the value of £94 were sold as again t 6 443 la t year to the value of £102 3 717 samples of ca hew nut were s ld to the value of £50 as against

1520 to the value of £94 last year 1 100 samples of tinned fruit and jam were sold to the value of £90 as against 1 070 to the value of £9 last year. Other sales were

		Value
2 300	samples of curry powders and spices	£70
935	rice	£17
266	poppadums	£5
44	Bombay duck	£3
573	of coffee	£11

In addition to the samples of foodstuffs and cigars exhibits of fancy goods carpets lace etc were also sold at the shows realising over £700 of which £220 was realised at the British Industries Fair £250 at the Toronto Fair and the balance at various exhibitions in the United Kingdom. The total sales effected during the year of food products and other exhibits amounted to approximately £1 300 as against £1 435 last year. The decrease is due to the fact that participation was undertaken during the year in some shows where there was no scope for the selling of samples on a large scale compared with the exhibitions reviewed in 1935-36

ORDERS

The total value of orders booked during the year came to £5 914 as against £3 450 last year an increase of nearly 71%. Of these nearly £4 730 was booked at the B I F £800 at the Toronto Exhibition and the rest at other exhibitions held in the United Kingdom. In previous years orders were booked only at the British Industries Fair and the Toronto Exhibition; but personal canvassing of the trade during the provincial exhibitions which has been undertaken with the primary object of creating interest in our products has in some cases resulted in actual orders. These are only a few occasional orders placed through us. In most cases the business resulting from contacts formed at the exhibitions is placed direct with the exhibitors in the ordinary course of business. From the figures given below for the last five years it will be noted that more and more business is being actually booked at the exhibitions and fairs by this Office —

Year	Value of Order	Approximate percentage of increase over each preceding year
1933	£717	—
1934	£1 200	66%
1935	£2 900	142%
1936	£3 450	19%
1937	£5 914	71%

The causes which contributed to the increase in the number and value of orders this year are more or less the same as la

year namely the fact that we are receiving a larger variety and range of exhibits from more manufacturers every year, and that we participate in the appropriate fairs and in appropriate sections In this connection it may be observed that whereas in previous years the majority of the exhibitions in the United Kingdom in which we used to take part were confined mostly to foodstuffs we are now taking part in exhibitions where it is possible to display other commodities also such as carpets brassware etc

Canvassing of Shops

Four hundred and thirty five shops were canvassed during the year as against 214 last year One hundred and forty two new connections were established in the various centres for our goods as shown below —

Plymouth	2 for condiments
	1 for rice
	1 for cashew nuts
	1 for carpets
	1 for coir and fibre
Hull	4 for condiments
	2 for cashews
	3 for cigars
	1 for coco mats
Toronto	31 for brass woodwork lace carpets etc.
Leicester	1 for condiments
	1 for tinned fruit
	1 for cashew nuts
	2 for rice
	2 for cigars
	1 for art ware
Leeds	1 for cigars
	2 for condiments
	1 for tinned fruit
	4 for cashew nuts
Edinburgh	1 for carpets
	1 for art ware
Newcastle	2 for canned food
	1 for cashews
	1 for condiments
Birmingham	2 for condiments
	2 for tinned fruit
	2 for cashews
	1 for tea
B I F	38 for art ware
	2 for lace
	14 for sports goods
	8 for carpets
	6 for silk

It will be noticed that some of the centres visited this year had already been visited in previous years e g Hull Edinburgh and Plymouth The repeat visits were paid in order to renew the old contact and during these visits it was found that the majority of them were keeping up the connections and doing fairly well in our lines

Trade Enquiries

The total number of trade enquiries received during the year came to ,61 as compared with 831 last year This was obviously due to the fact that in several cases introductions having been made at previous exhibitions no fresh enquiries were necessary Of the enquiries the British Industries Fair accounted for more than half the number (417) the next in order being the Toronto Exhibition (60) International Grocers Exhibition, London (42) Newcastle (42) Birmingham (37) Plymouth (33) Hull (31) Edinburgh (29) and Leicester (22) More than 85% of the enquiries came from the United Kingdom 14% from the Continent and the rest from other countries like the U S A Canada etc About 30% of the enquiries were for foodstuffs Among the enquiries for other articles the largest number was for sports goods the next in order being carpets and rugs mats and matting leathers cigars raw products oils art ware etc

Observations on Some of the Exhibits

Chutneys Pickles and Sauces The position of these products on the market showed no noticeable change during the year In chutneys the demand remained as before mostly in the sweet sliced variety The wholesale prices of chutneys dropped generally the average being 5s 6d per gallon In pickles the demand was for minced mango and mixed fruit varieties Sliced mango pickles would have done better if the slices had been more carefully selected In several cases fibrous slices were found mixed with good slices This should be avoided a well as the practice of using slices with the hard core of the mango adhering to the slices The slices must be soft and free from core so that they may be cut with ease The pickles should not be very hot as there is not much demand for such except among the Indian community which is very small One of the exhibitors sent some bamboo and berry pickles but they did not attract much attention As regards sauces the chutney sauce was liked by the trade but the price was found to be too high compared with the price of other fruit sauces on the market For instance a bottle of chutney sauce cannot be sold here for less than 1 to 1s 2d retail whereas other fruit sauces are retailed at 8d to 9d a bottle

Curry Powder This commodity is becoming more popular and Indian curries can now be seen on the menus of a number of hotels and restaurants Their use in the homes is also extending This tendency has been helped by the decline in the prices during the year First-grade Madras curry powder is now quoted at 6*d* to 6½*d* per lb c i f London in bulk and the lower grades at 4½*d* per lb

Canned Fruits There was some improvement in the quality of the canned mangoes received during the year Slices were better graded and stringy and acid slices were less in evidence But still there is great room for improvement The same remark applied to canned guavas but in lichis no improvement was noticed Indian canned lichis have to compete against the canned lichis from China These have always been much cheaper than the Indian lichis and in quality the Indian are inferior to the Chinese The Indian lichis show traces of the outer rough skin whereas the Chinese canned lichis have no trace of the rough skin The Chinese lichis are smoother and softer to the taste than the Indian lichis Attention should be given to these points as there is a large and growing market in this country for all kinds of canned goods

Jams Jellies and Preserves Some exhibits of marmalades and ginger preserve were received for the first time but they were not up to the standard required. The marmalade was too sweet and there was not much trace of the bitter orange which gives the marmalade a distinctive taste and flavour The ginger was rather sticky and tough. There is a good market for these commodities but the quality must be improved considerably before India can hope to compete with similar commodities coming from other sources The Indian guava jelly and typaree jam have to compete against South African products In quality the Indian jam and jelly are not inferior to the South African except that the South African guava jelly is clearer than the Indian but in the matter of prices the position of the Indian articles is adverse The wholesale price of the South African guava jelly is approximately 10*s* per dozen jars of a pound each against the Indian price of 14*s* to 15*s* per dozen The South African Cape Gooseberry jam which is the same as the Indian typaree ram is much cheaper than the Indian article the difference being as much as 30% Such being the case the Indian articles cannot make much headway in this market.

Cashew Nuts These were exhibited as before at practically every exhibition in which we took part They are becoming better known but the progress is very slow They need sustained and extensive propaganda on a scale which this Department i not in a position to undertake with the funds at its disposal

Coffee This continued to be exhibited at our stalls until the Indian Coffee Market Expansion Board started organising their own coffee stalls at the exhibitions in which we took part. At these stalls demonstrations in coffee-making were given and cups of coffee were distributed or sold at a nominal price. The subject is dealt with elsewhere in greater detail.

Arts and Crafts Under this head brassware continues to have the best sale. A larger range of samples consisting of more varieties in colours and designs were received during the year than before. The prices too were lower but some exhibitors sent over articles of sizes and shapes which were not suitable for this market. Very large vases about 24 in. to 30 in. high and vases with fluted tops were not much in demand. In colours blue and gold or green and gold are preferred to the brilliant red and dark green. Smokers sets are not in demand though cigarette boxes and ash trays are good sellers. In the line of gongs the old type with the mallet striker has gone out of fashion, the prong type elephant bells are now in demand. Neither the large tray (21 in. and over) nor the fluted trays are popular, though the very large ones would sell as table tops if they were supplied with carved wooden stands of good workmanship. Powder bowls and trinket boxes are good sellers but candlesticks of the old type, match box holders, paper knives, paper weights, etc. are not in demand.

In woodware the carved wood is not popular as it collects dust, the ivory and brass inlaid wood work sells well, particularly the tables and trays. Indian ivory carvings have no sale as they cannot compete against the Chinese and Japanese carvings. There is however a small market for ivory brooches and other similar articles in the jewellery line. In turquoise and papier mâché lines small boxes are the only *sellers. There is no demand for* large flower pots, photo frames and trays. Turquoise necklaces have a fairly good market though the trade prefers loose beads to made-up necklaces as the necklaces are not properly strung. Anything in the jewellery line would sell provided the articles are well finished and well shaped and are cheap.

Lace The exhibits under this head consisted mostly of doyles with a few samples of trimmings and borders for table covers. Doyles are not much in demand now and very little if any trade can be done in them. There is a big demand for fine dress net as well as net work which is used in embroidery. Lace work which can be used in fabrics for personal wear would sell well. Window curtains of thick lace are also in demand. If India can produce such lace work there is a market for them.

Textiles These exhibits included embroidered cushion covers table runners table cloths curtains and bedspreads from Kashmir hand printed silks from Bengal and brocades from Benares the last two were exhibited for the first time As regards the Kashmir goods a limited trade is already being done how ever the comment of the trade was that there were probabilities of better business in this line if the materials were supplied in lengths suitable for the furnishing and upholstery trades The use of better material was also considered advisable, the material at present used being rather coarse The Bengal silks have come on the market only recently and they are getting gradually known to the trade They are supplied in dress lengths large handkerchiefs scarves etc The handkerchiefs and scarves sell fairly well and the dress lengths would also sell well but here the difficulty is in getting repeats of the same pattern fairly quickly The production seems to be slow The Benares brocades would have only an exclusive trade but the prices quoted were far too high even for the exclusive trade.

Carpets and Coir Mats Several new designs were received and better business and enquiries resulted The more expensive carpets have a limited market but the popular varieties are the Mirzapores Malabars, and Cawnpores

Lantern Slides Photographs Pamphlets Window Displays About 120 requisitions for lantern slides and 41 for photographs were dealt with as compared with 170 for lantern slides and 34 for photographs during the preceding year A number of new photographs were added to our collection Three thousand four hundred requisitions for pamphlets and other display materials were also dealt with The window displays at India House were continued throughout the year the articles displayed in rotation comprised sports goods skins and leathers carpets coir mats lace silk and cotton textiles cashew nuts cigars rice and condi ments These displays helped to advertise these goods at prac tically no cost and the enquirers were as usual referred to the retail stockists

Films The sound film of India to which reference was made in the previous report was exhibited at 70 theatres of which nine were in London It was also televised once This was quite a good circulation for a publicity film like this especially as it was made up from some old films Certain silent films were exhibited at schools and other similar institutions They secured about 250 bookings representing an audience of about 85 000 people

* Chapter VIII

The Indian Coffee Market Expansion Board was inaugurated by the High Commissioner for India at India House on July 28th 1936

The Chairman was Dr D B Meek C I E O B E D Sc Indian Trade Commissioner and members of the Board were Mr W H Cooke Mr T V A Isvaran (Mysore Trade Commissioner) Mr C Lake Mr H R Lockie Colonel D I Macpherson Mr J E Palmer Mr A J Parnell Mr Y N Sukthankar and Mr L J Upton

Since then Mr H T Stockbridge has filled the vacancy caused by the resignation of Mr J E Palmer and Mr B D Alli and Mr R D Anstead have joined the Board

Mr R O Oliver was appointed as whole-time officer and started work on October 1st 1936

Five Board Meetings have been held during the year The Indian Coffee Cess Committee allotted the sum of £1 350 for expenditure during the year ending March 31st 1937 The Director has had the opportunity of meeting many of the principal wholesale dealers in London and some of the principal wholesalers distributors and retailers in the Provinces

Exhibitions

The Board participated at the British Industries Fair at Olympia when the making of Indian coffee was demonstrated and visitors were invited to taste Indian coffee free of charge Success lies in the cup quality of the coffee and in the making A real interest was aroused The Stand was frequently crowded with visitors who listened carefully to our demonstrator tasted the coffee and finally bought a sample packet of freshly roasted and ground coffee to take home

The buyers of two of the largest coffee concerns in the United Kingdom paid a visit to the Stand whilst several contacts were made with others in the trade

Experience in stand fitting decoration and equipment for making and serving coffee was gained from which it was learned greater counter space was necessary and that an office in which to receive enquiries would be advantageous at trade exhibition

Following the British Industries Fair a stand was taken at the Plymouth Coronation Second Modern Home and Building Exhibition held from March 10th to 20th 1937 This exhibition

* Written by Mr R O Oliver Director of Indian Coffee Propaganda

proved disappointing Free cups of coffee were offered but only 1 000 cups consumed The attendance was poor and few of those who attended took an interest in drinking fresh coffee One useful contact however with a London firm was made Wholesalers and retailers in Plymouth and Exeter were visited At Exeter a fair interest was taken in coffee whilst in Plymouth, with the exception of one firm little effort was made by the retailers to increase their turnover

The distribution of display material has been slow One thousand showcards have been distributed at the request of wholesale dealers and retailers There is little doubt that as the activities of the Board become actively known the demand for display material will increase at a rapid pace

Institutes and Other Public Bodies

A number of institutes hospitals council schools, have been addressed and it has been pointed out to them that coffee of Indian growths are amongst the finest in the world whilst the less fine grades of excellent quality can be purchased at prices which compete with those of any other Empire countries It was requested that Indian coffee should be included in their specifications when inviting tenders and satisfactory replies have been received In the case of one of the largest contracts the last two orders placed were for blends containing 70% and 50% Indian coffee Further public bodies shipping companies and railway companies will be approached The majority of contracts are for sound medium quality coffees and the demand could be satisfied with the less fine Indian grades

Roasting and Grinding Samples of all Consignments of Indian Coffee for Auction in Mincing Lane.

Mr A J Parnell Hon Secretary of the Coffee Trade Association of London and a member of our Board has kindly undertaken this task which entails a considerable amount of work Samples have to be collected roasted and liquored The roasted samples are placed in row in front of which the tasting cups are arranged Each cup is liquored and tabulated in order of merit Remarks are made on the roast and the percentage of pales in a given weight of roasted coffee is measured

The Director had an opportunity of visiting the P & O Steam Navigation Company's steamer Strathmore lying in Tilbury Docks; he saw the aft hold from which coffee was being unloaded The space was excellent and great care had been taken to prevent the coffee being contaminated in any way The coffee is usually unloaded direct from the steamer into barges and transported to the London

Chapter IX.—Committees and Conferences.

Appendix C gives a list of International and Empire Committees attended by officers of the Trade Department. The work involved in connection with the meetings of these Committees is occupying a greater and increasing share of the time of the officers concerned than in the past. These Committees fall mainly into two classes, those which carry on work of an international nature and those which are occupied with problems of inter-Imperial trade. The Empire Committees again fall into two classes, those which are occupied with the technical aspect of certain commodities produced within the Empire and those which are engaged in encouraging the sales of Empire commodities as against those coming from foreign sources. It is of course difficult to keep technical and trade aspect in watertight compartment. Some of the Technical Committees have as members representatives of trade and industry and although the commodities may be at a stage when commercial considerations do not arise these are not entirely absent from discussions at meetings and the actual problems encountered in commercial practice are investigated. On the other hand a Committee concerned with the trade matters has often to deal with the technical aspects. For example the Coffee Section of the British Empire Producers Organisation whose primary object is to encourage the sale of Empire coffees was lately concerned in examining the question of the admixture of coffee and chicory and received valuable advice from a Public Analyst regarding the methods of testing the purity of coffee. The value of contact with officers of different Governments and representatives of trade and industry as well as of the technical knowledge gained in the course of these discussions cannot be over-emphasised.

It is not possible to reproduce here even in a summary form the work carried on by the International and Empire Committees as most of it is of a confidential nature and such information as is likely to be of use to Indian interest is communicated to the authorities in India. The International Rubber Regulation Committee as stated earlier in the report was faced with a sudden rise in the price of rubber especially toward the end of 1936. Although the rise in the price of rubber appeared rapid if a short period of one or two months was considered, it has by no means been excessive taken over the period during which the Committee has been at work. The Committee however did its best to control the situation and to regulate the supply to the demand of rubber by releasing greater quantities and by impressing on the countries participating in the Scheme the importance of orderly increase in the export without adding to the difficulties of the situation by imposing an undue strain on the resources of the rubber estate. The International Tea Committee

was engaged among other questions with the future of the scheme of control and with the question of bringing the non restriction countries under the Control Scheme

The work of the Imperial Institute proceeded through its Technical Committees The exhibition of commercial plant fibres (other than cotton) held at the Imperial Institute from March 20th to April 9th was referred to in last year's report Its object was to illustrate the resources of Empire countries in plant fibres used in the manufacture of textiles ropes cordage twine brush making upholstery and other purposes and in particular to link up by means of exhibits the work of the overseas Empire producer with that of the United Kingdom manufacturer The complete story of different fibres was illustrated from the living plant to the articles manufactured from the raw material The Committee on vegetable fibres devoted its attention to the grading of sisal which had been discussed at previous meetings The Sub-Committee on tung oil met twice and has under examination certain fermentation methods of dehusking the fruits followed by the Chinese The results of the examination undertaken by the Sub-Committee on samples of tung fruit grown in the various Empire countries including Burma showed that tung oil of good quality can be readily produced in the Empire India is now represented on the Tung Oil Sub-Committee In view of the increased production of perila seed in Manchuria the increased demand for it in the United States of America and the possibilities of its further use in the United Kingdom the question of extending this crop in India has been taken up by the Sub-Committee This seed yields a valuable drying oil and at present grows wild in the Khasi and Jaintia Hills of Assam and the question of cultivating it in India on a commercial basis deserves examination in view of the demand for the oil from the paint industry The Committee on hides and skins examined the quality of East African goatskins and prepared a memorandum for the East African Government A memorandum on the subject of shade-drying and sun-drying by suspension of hides and skins was also prepared Considerable information has been received from the Dominions and Colonies for the monograph which was under preparation on the results of investigations concerning the improvement of hides and skins carried out at various places in the Empire The coffee section of the British Empire Producers Organisation was engaged on the question of obtaining increased preference for Empire coffees It was decided that in view of the forthcoming Ottawa negotiations their representation in the first place should be addressed to the Indian Government The Tobacco Federation was engaged on the question of furthering the sales of Empire tobaccos in this country The report of the Tobacco Sub-Committee of the Imperial Economic Committee is still under preparation The

work of the Indian Coffee Market Expansion Board is reported elsewhere. The work done on the Committees on which the Trade Department is represented by the Timber and Minerals Adviser to the High Commissioner and the Special Officer Lac Investigation is reported in their respective chapters.

Sir Bryce Burt, the Vice Chairman of the Imperial Council of Agricultural Research, attended a meeting of the Tobacco Federation of the British Empire Producers Organisation and a meeting of the Indian Coffee Market Expansion Board during the year. The exchange of ideas on these occasions was of great use in explaining the difficulties of the market in this country and receiving from Sir Bryce Burt up-to-date information about the conditions in India regarding the tobacco and coffee industry.

This is by no means a complete account of the work done in the various Committees and Conferences referred to above but it is hoped that it gives some indication of the nature of the work done.

Chapter X.—Staff and Acknowledgments.

There has been no change in the number of posts in the Trade Department or in the duties attached to them. With the formation of the Indian Coffee Market Expansion Board, to which a reference was made in last year's report, an officer with the designation of the Director of Indian Coffee Propaganda has been appointed from October 1st, 1936, to carry out propaganda in order to increase the consumption of Indian coffee in the United Kingdom, to make such enquiries and investigations as may be necessary and to do any other work with which he may be entrusted by the Board in furtherance of its objects.

As in the past year, a higher clerical officer continues to be in charge of the Exhibition Hall and two clerical officers assist the Indian Trade Publicity Officer in organising the Indian stalls at the various exhibitions and fairs in the United Kingdom in which the Trade Department participates. The number of such exhibitions and fairs and their location vary from year to year but usually the number is about 15. Extra assistants are engaged temporarily to carry out the day-to-day work at the stalls at these exhibitions. In view of the forthcoming Coronation, increasing interest is taken in Overseas Empire countries, which has stimulated the demand for films, lantern slides, photographs, samples and other publicity material. For instance, the approximate number of slides loaned out to various institutes, schools and individuals during the year under review is computed to be 5,000.

The total number of letters received during the year under review was 8,255 against 8 422 in 1935-36 and the number of letters issued was 12 385 as against 12 028 These figures apparently show a slight falling off but it has to be remembered that they do not include the correspondence of the Timber and Minerals Adviser the Special Officer Lac Inquiry and the Director of Indian Coffee Propaganda Nor do they include demi official correspondence In view of the confidential nature of much of the work to be done in connection with trade a considerable amount of the correspondence at certain stages has to be carried on demi-officially but there is no doubt whatever that the total volume of correspondence has definitely increased

The following gifts were received by the Exhibition Hall —

Donor	*Gift*
Madras	
Syed N A Razwi	Three grains of rice on which portraits of His Late Majesty King George V Her Majesty Queen Mary and the Taj Mahal are engraved
London	
C A Bush Esq	Two rare Indian stamps
Sir Hubert Carr K C I E	Cast brass temple piece
Mrs F Cochran	(i) Teakwood model of King Thibaw's Throne at Mandalay
	(ii) Teakwood manuscript stand
K C Roy Esq A R C A (Lond)	Original statuette entitled Time and Tune by the donor
Imre Schwaiger Esq	A set of six ivory miniatures

The daily average attendance of visitors during the year has been about 33 including conducted parties

Four new showcases made of Indian silver grey wood were purchased to preserve certain very valuable and fragile articles New lighting arrangements for various showcases were installed which has already greatly enhanced the general appearance of our exhibits and is a great improvement

A catalogue of the exhibits in the Exhibition Hall is under preparation and will no doubt add to the convenience of visitors when ready

I desire to record my appreciation of the excellent work done during the year by the occupants of the senior posts in the Trade Department and by Mr C W Butler and the clerical staff In particular I should like to make mention of the special ability and zeal with which Mr Y N Sukthankar continued his work during his last year as Deputy Trade Commissioner before leaving London to join the Commerce Department of the Government of India

I have great pleasure in acknowledging once again this year the very valuable assistance rendered by the various Departments of His Majesty's Government particularly the Empire Foreign and Exhibition Sections of the Department of Overseas Trade the Foreign Treaties Industrial and Statistical Sections of the Board of Trade the Commissioners of Customs and Excise and the Department of Scientific and Industrial Research His Majesty's Consuls and Commercial Officers on the Continent and America and the Director and Staff of the Imperial Institute gave much useful information whenever any calls were made on them The Chambers of Commerce and the Trade Associations specially interested in India's export trade and the Trade Commissioners and Commercial Attachés in London of Empire and Foreign Governments made available with the greatest courtesy their experience and information whenever there was any occasion to draw upon them I take this opportunity of acknowledging my debt of gratitude to all these institutions and authorities

D B MEEK

20th August 1937

APPENDIX A.

Range of Prices of Staple Indian Commodities in the United Kingdom during the last Three Years.

Commodity	Unit.	1934–35.			1935–36.			1936–37		
		Highest.	Lowest.	Difference.	Highest.	Lowest.	Difference.	Highest.	Lowest.	Difference
1 Rice	shillings per cwt.	8/7½	5/7½	3/0	9/0	7/3	1/9	9/10½	7/6	2/4½
2 Jute	£ per ton	18/1/3	14/0/0	4/1/3	20/17/6	16/0/0	4/17/0	20/0/0	16/6/0	3/14/0
3 Castorseed	,,	13/7/6	9/5/0	4/2/6	14/6/3	11/7/6	2/18/9	14/15/0	12/0/0	2/15/0
4 Linseed	,,	12/17/6	10/10/0	2/7/6	13/7/6	11/1/3	2/6/3	15/0/0	12/5/0	2/15/0
5 Groundnuts... ...	,,	15/16/3	7/16/3	8/0/0	16/2/6	12/17/6	3/5/0	16/13/9	13/7/6	3/6/3
6 Groundnut cake ...	,,	7/7/6	5/5/0	2/2/6	7/0/0	6/3/9	16/3	8/12/6	6/6/3	2/6/3
7 Tea northern average	shillings per lb	1/2·21	–/11 10	–/3 11	1/5·52	–/11	–/6·52	1/3 13	1/0·06	2·06
8 Fine M.G. broach cotton	pence per lb.	6·19	4·57	1·62	6·48	5·19	1·29	6·40	5·09	1·31
9 Shellac	shillings per cwt.	120/	50/–	70/–	72/6	45/–	27/6	62/–	46/–	16/–
10 Tin	£ per ton	243	208	35	245	203	42	311	175	136
11 Lead	,,	13	10	3	19/10/0	11/6/0	8/4/0	36/0/0	15/0/0	21/0/0
12 Copper	,,	33/0/0	25/0/0	8/0/0	36/13/0	28/15/0	7/18/0	78/0/0	36/0/0	42/0/0
13 Zinc	,,	15/0/0	10/0/0	5/0/0	17/5/0	12/0/0	5/5/0	37/0/0	13/0/0	24/0/0
14 Manganese Ore (48–50%) ...	per unit	11½d.	10¼d.	1¼d.	1/0	11d.	1d.	1/7	1/0	7d.
15 Wolfram (60%) ...	,,	2/7/0	1/16/0	11/0	1/17/3	1/10/3	7/0	58/6	25/–	33/6
16 Chromite (basis 48%)	per ton	4/17/6	4/13/0	4/6	4/0/0	3/15/0	5/0	4/17/6	4/14/6	3/–



INDIAN LANCASHIRE COTTON COMMITTEE STAND TEXTILE SECTION
BRITISH INDUSTRIES FAIR, 1937

APPENDIX B—*continued*

Commodity	Unit.	From.	First Quarter of		
			1935	1936	1937
Linseed Cake Meal	'000 tons	India ...	10 4	16.6	11.3
		U.S.A. ...	1 4	2.2	3.3
		TOTAL ...	16 5	23 3	15 9
Jute ...	'000 tons	India	68.0	78 2	89.7
		TOTAL	68.3	78.2	89 7
Cotton, raw under 1 inch and other ¾ inch	'000 Centals of 100 lbs.	India ...	223.7	312.4	326.6
		U.S.A.	1196 3	1696.0	1930.8
		Egypt ...	235.0	230 1	585.4
		TOTAL	2111 6	2638 5	3426 9
Cotton, raw of ¾ inch and under	'000 Centals of 100 lbs.	India ...	230 4	336.0	512 7
		TOTAL	241.9	384.3	544.0
Wool, raw sheeps lambs wool	Mill. lbs.	India	7 6	8.2	13.2
		Other British Countries	1.2	.5	.6
		Argentine ...	32 8	39.3	39 0
		Other Foreign Countries	.2	.2	.2
		TOTAL	266 8	309.1	257 0
Coir Yarn	'000 cwts.	India	Not shown separately. General average approx. 75% of total		
		TOTAL	45.5	42 4	39.1
Coir mats and matting	Value in £'000 quantities not shown	India ...	143.7	153.1	178 9
		TOTAL	145.7	154.7	181.0
Jute Piece-goods...	Mill. sq. yds.	India	17.1	34.1	46.1
		TOTAL ...	17 1	34.3	46.2
Jute Sacks & Bags	'000 cwts.	India	170 7	236.1	298 5
		TOTAL ...	183.1	244 9	320 8
Carpets, carpeting, flooring, etc. of wool	'000 sq. yds.	India	412 8	379 5	344 9
		Russia	8 5	17.0	9.0
		Belgium	337.8	436 0	656 3
		Turkey	8 7	3 6	5 4
		Iran	87.8	131 4	260 1
		TOTAL ...	938.0	1109 1	1513 9
Teakwood (sawn)...	'000 cu. ft.	India	411	538	721
		Other British Countries	17	16	23
		TOTAL ...	433	603	859

APPENDIX B—*continued*

Commodity	Unit.	From.	First Quarter of		
			1935	1936	1937
Shellac, Seedlac and Sticklac	'000 cwts.	India	31.9	20.7	59.0
		TOTAL	33.1	21.7	60.4
Paraffin Wax	'000 cwts.	India	44.4	120.9	83.4
		TOTAL	228.0	345.1	251.9
Goatskins, dry and dry-salted	'000	India	1077.6	1760.9	1689.5
		British West Africa	489.4	290.7	166.5
		South Africa	94.3	52.8	43.3
		Other British Countries	251.3	438.0	237.9
		TOTAL	3163.2	2704.0	2210.7
Hides, leather undressed	'000 cwts.	India ..	58.7	66.8	92.8
		TOTAL	73.9	88.1	106.8
Goatskin, leather undressed	'000 cwts.	India	15.0	12.8	14.8
		TOTAL	15.9	13.5	16.2
Sheepskins, leather undressed	'000 cwts.	India	13.0	16.9	17.9
		TOTAL	22.5	25.3	25.0
Tin Ore and Concentrates	'000 tons	India	—	—	—
		Nigeria ..	1.4	3.3	3.7
		Siam	1.0	1.3	1.0
		Bolivia ..	7.2	8.1	4.5
		TOTAL	10.6	13.5	10.1
Pig-iron	'000 tons	India ..	24.2	18.0	44.5
		TOTAL ..	27.6	34.0	56.7
Pig-lead	'000 tons	India ..	13.0	10.9	1[illegible]
		Australia	49.0	53.7	39.0
		Canada	21.1	22.8	21.5
		U.S.A. ..	1.7	—	—
		TOTAL	93.2	89.6	83.0

APPENDIX B 1

IMPORTS OF STAPLE INDIAN PRODUCTS INTO THE UNITED KINGDOM FOR THE TWELVE MONTHS JANUARY TO DECEMBER, 1934 35 and 36

Commodity	Unit	From.	1934	1935	1936
Rice whole	'000 tons	India	810.4	895.6	763.7
		Other British Countries	144.5	122.6	171.8
		Spain	175.5	31.5	49.8
		U.S.A.	115.8	116.8	56.7
		Other Foreign Countries	113.6	29.3	76.1
		TOTAL	1360.0	1187.0	1117.3
Rice broken and mixtures	'000 tons	India	489.5	345.0	164.8
		French Indo-China	303.0	253.0	254.4
		TOTAL	1192.2	974.4	1104.0
Rice meal and dust	'000 tons	India	241.5	231.7	328.5
		TOTAL	571.4	262.5	372.4
Tea	Mill. lbs.	India	276.3	270.1	267.0
		Ceylon	156.0	141.9	145.3
		Dutch East Indies	40.4	35.6	30.3
		TOTAL	307.7	476.5	479.9
Pepper	'000 tons	India	2.8	2.9	1.4
		Malaya	216.5	96.6	11.0
		Dutch East Indies	87.3	126.0	26.1
		TOTAL	259.8	226.3	63.9
Tobacco, unmanufactured, stripped and unstripped	Mill. lbs.	India	0.7	11.5	13.7
		Canada	8.0	.0	9.4
		U.S.A.	168.9	205.5	214.4
		TOTAL	238.6	251.6	272.1
Linseed	'000 tons	India	139.5	68.4	221.6
		Argentine	43.9	193.2	46.7
		TOTAL	184.0	236.9	272.7
Groundnuts, decorticated	'000 tons	India	69.9	80.8	109.9
		British West Africa	29.7	42.2	48.2
		TOTAL	102.1	120.0	173.5
Castorseed	'000 tons	India	[illegible]	28.0	21.3
		TOTAL	33.4	34.2	[illegible]
Linseed cake and meal	'000 tons	India	31.4	[illegible]	56.6
		U.S.A.	[illegible]	23.5	[illegible]
		TOTAL	[illegible]	[illegible]	80.0

APPENDIX B 1—continued

Commodity	Unit	From	1944	1943	1936
Jute	t n	I I	192.8	17_8	181 7
		T t	194 6	173 2	181 7
Cotton ra under 1⅛ inch and ⅞ inch	C t l of 100 lbs	I h U S A Egypt	846 7 4493_ 809 4	8 4 3 3358 10 4 1	1096 9 6903.3 1197.2
		TOTAL	9406 1	9387.8	11789 4
Cott n of inch and under	000 Cent ls of 100 lbs	India	684.0	823.4	1221 1
		TOTAL	784 7	000 3	1416.5
Wool other than Merino and Cross l ed	Mill lbs	India Other British Countries Argentina Other Foreign Countries	36.9 3 5 22.3 8 4	37.9 7.3 19 9 7_	48.1 10.8 18_ 0 7
		TOTAL	80 4	83.3	93
Coir yarn	000 wt	India	124.8	139.9	141 4
		TOTAL	183.3	164.6	166.1
Coir mats and matting	'000 sq yds	India	78_4.9	8343 9	9436.7
		TOTAL	7817 0	8402.1	0487 7
J t piec goods	Mill sq yds	Indi	80 3	71.4	130 6
		TOTAL	80 5	71.5	140
Jute sacks and bags	000 cwts	India	671.2	714.3	998 9
		TOTAL	693 8	728.1	1070 3
Carpets	'000 sq yds.	India Russia Belgium Turkey Iran	1760 4 107 4 1585.0 31.8 36_9	1838_ 44 1562 0 13 9 403.4	1306.1 46.6 105 0 71 1 485 0
		T t l	4336 9	4114 0	4799 8
T k wood (sawn)	'000 c u. feet	Indi Other British Countries	1360 69	1788 63	2273 102
		T t	13 3	1851	[illegible]
Shellac, Seedlac and Sticklac	'00 cwts.	Ind	434.6	80	1_
		Tot l	43 1	9 5	133.2
Paraffin wax	'000 cwts.	Ind …	223 4	864	26
		TOTAL	1016.3	1181	104 1

APPENDIX B 1—*continued*

Commodity	Unit.	From	1934	1935	1936
Goatskins, dry and dry-salted	'000	India	3802.4	5176.5	5872.5
		British West Africa	1282.3	1750.5	1284.8
		South Africa	331.6	304.6	305.5
		Other British Countries.	519.9	1149.3	1290.1
		TOTAL	6470.7	9182.9	8378.6
Hides, leather undressed	'000 cwts.	India	238.7	259.3	327.9
		TOTAL	317.8	335.5	409.6
Goatskins, leather undressed	'000 cwts.	India	77.2	62.5	72.3
		TOTAL	81.9	66.1	76.1
Sheepskins, leather undressed	'000 cwts.	India	45.6	48.1	61.9
		TOTAL	81.3	83.4	101.3
Tin ore and concentrates	'000 tons	India	—	—	—
		Nigeria	7.6	8.1	12.5
		Chili	3.9	5.3	4.2
		Bolivia	25.1	26.8	32.4
		TOTAL	38.5	45.2	52.0
Pig iron	'000 tons	India	110.0	67.3	144.0
		TOTAL ..	125.6	84.2	147.2
Pig lead	'000 tons	India	42.0	42.3	50.6
		Australia	103.7	170.3	175.4
		Canada	76.5	84.0	90.5
		U.S.A	11.3	2.—	1.1
		TOTAL	312.5	316.4	353.6

APPENDIX C

Officers of the Trade Department of the High Commissioner for India serving on Empire and Trade Committees in the United Kingdom, March 1937

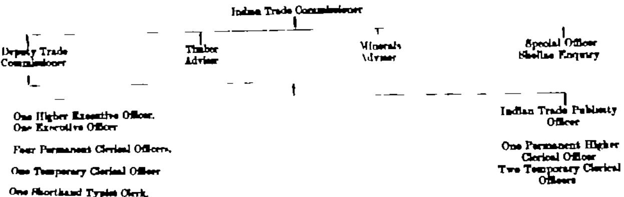
This list does not include the Committees which are ordinarily attended by the High Commissioner personally.

Main Body	Committee or Sub-committee	Representative for India.	Capacity
Imperial Economic Committee	—	Sir D. B. Meek, C.I.E., O.B.E., D.Sc.	Substitute for H.C.
	Tobacco Sub-Committee	"	" "
Imperial Shipping Committee	—	Sir D. B. Meek, C.I.E., O.B.E., D.Sc.	Substitute for H.C.
Board of Trade ...	Advisory Council ...		Nominated by India Office
Department of Overseas Trade	Advisory Panel ...	"	Personal, on invitation of Parliamentary Under-Secretary
Imperial Institute	Governing Body ...		Substitute for H.C.
" "	Advisory Council on Plant and Animal Products		Nominated by H.C.
	Advisory Council on Minerals	G. H. Tipper ...	Substitute for I.T.C.
" "	Iron & Ferro-Alloys	"	Nominated by H.C.
" "	Coal & Petroleum ...	" ...	" "
"	Base Metals	" ...	" "
" "	Precious Metals	" ...	" "
" "	Chemical Industries ...	" ...	" "
" "	Miscellaneous Minerals	" ...	" "
" "	Hides and Skins Committee	Y. N. Sukthankar, I.C.S.	Substitute for I.T.C.
" "	Vegetable Fibres Committee	" ...	" "
" "	Vegetable Oils and Oilseeds Committee	" ...	"
" "	Silk Committee ...	" ...	" "
"	Timbers Committee	Sir H. W. A. Watson	Nominated by H.C.
"	Tanning Materials Committee	A. J. Gibson —	" "
" "	Essential Oil and Resins	" ...	" "
Empire Cotton Growing Corporation.	Board of Trustees ...	Sir D. B. Meek, C.I.E., O.B.E., D.Sc.	Nominated by India Office
" "	Administrative Council	" ...	Nominated by Govt. of India
" "	Executive Committee	" ...	Nominated by India Office

APPENDIX C—*continued*

Main Body	Committee or Sub committee.	Representative for India.	Capacity
British Empire Producers' Organisation	Council ...	Sir D B Meek, C I E O.B.E. D.Sc.	Nominated by H.C.
" "	Tobacco Committee	Y N Sukthankar, I.C.S.	" "
"	Coffee Committee ...	"	"
British Standards Institution	Technical Committee Timbers	Sir H.W.A. Watson	" "
Empire Forestry Association	Governing Council ...	"	
Forest Products Research Board (D.S.I.R.)	Standing Conference on Timber Utilization		
Timber Trades Federation of the U.K.	—	"	
British Wood Preserving Ass'n.	—	"	" "
Society of Chemical Industry	Plastics Group ...	A. J Gibson ...	Special Officer Lac Inquiry
International Electro-Technical Commission	Shellac	"	" "
British Electrical & Allied Industries Research Association	Insulating Varnishes		"
British Standards Institution	Moulding Powders C/20	"	" "
British Standards Institution	Insulating Materials for Electrical Purposes E.L. 16		"
British Standards Institution	Varnishes B/1		"
Oil & Colour Chemists Association (Honorary Secretary)	—	"	"
Food Investigation Board	—	Y N Sukthankar I.C.S.	Nominated by H.C.
" "	Consultative Group ...		"
International Rubber Regulation Committee	—	Sir D.B Meek, C.I.E. O.B.E., D.Sc.	Nominated by Govt. of India
The International Tea Committee	—	"	" "
Indian Coffee Market Expansion Board	Chairman		"

APPENDIX D



Indian Trade Commissioner
Deputy Trade Commissioner
Timber Adviser
Minerals Adviser
Special Officer Shellac Enquiry
One Higher Executive Officer.
One Executive Officer
Four Permanent Clerical Officers.
One Temporary Clerical Officer
One Shorthand Typist Clerk.
Indian Trade Publicity Officer
One Permanent Higher Clerical Officer
Two Temporary Clerical Officers

APPENDIX F

Functions Allotted to the Deputy Trade Commissioner, Advisers and other Officers and Staff of the Trade Department

Deputy Trade Commissioner

(1) Interviews and visits.
(2) Furnishes general commercial information regarding India with special reference to agricultural, statistical and tariff enquiries.
(3) Furnishes banks with monthly information regarding Indian trade.
(4) Undertakes special enquiries and reports on Indian economic subjects and visits connected therewith.
(5) Represents the Indian Trade Commissioner on the Vegetable Fibres, Oils and Oilseeds, Hides and Skins and Silk Advisory Committees of the Imperial Institute.

Timber Adviser.

(1) Interviews and visits.
(2) Controls the sales of timbers from the Andamans.
(3) Furnishes general information regarding Indian timbers and forest products and advises on timber exhibits.
(4) Represents the High Commissioner on the Advisory Committee of the Imperial Institute on Timber and on the various bodies investigating forestry and timber questions indicated in Appendix B.

Special Officer, Lac Inquiry.

(1) Interviews and visits.
(2) Furnishes general information regarding Indian lac and shellac, their potentialities and uses.
(3) Represents the High Commissioner on Advisory Committees of the Imperial Institute on Tanning Materials and Essential Oils and Resins (see also Appendix C).

Minerals Adviser.

(1) Interviews and visits.
(2) Furnishes general information regarding Indian mining and mineral products and advises on mineral exhibits.
(3) Represents the High Commissioner on the Advisory Committees of The Imperial Institute on Tin and Tungsten, Refractories, Copper, Manganese, Iron and Steel, Chemical Industries, Mica and Miscellaneous Minerals (see also Appendix B).

Indian Trade Publicity Officer.

(1) Interviews and visits.
(2) Organises Indian Trade Publicity of all kinds, including participation in exhibitions and fairs, Indian cookery demonstrations, lectures, films, etc.
(3) Undertakes special enquiries and reports on the market for Indian products exhibited during Shopping Weeks, Window Displays, etc.

General and Publicity Staff

(1) Interview all callers except those who have special appointments with the Indian Trade Commissioner, Deputy Indian Trade Commissioner, Indian Trade Publicity Officer or Commercial Advisers.
(2) Furnish general commercial information regarding India with special reference to customs duties, merchandise marks, patents, etc.
(3) Undertake special enquiries and reports on the market for Indian goods and visits connected therewith. Also the investigation of trade disputes.
(4) Control and supervise trade introductions and the card index and other systems for the recording of information.
(5) Issue on loan lantern slides, films and photographs.
(6) Distribute publicity literature.
(7) Arrange for the despatch of exhibits to exhibitions and fairs, etc.
(8) Record back all publicity matter issued on loan and maintain stock registers.
(9) Supervise the display of exhibits in the Exhibition Hall.
(10) Supervise arrangements for the display of Indian goods in the Commercial Samples Rooms.

APPENDIX F

BRITISH INDUSTRIES FAIR, 1937

UNITED PROVINCES AND THE PROVINCES OF BIHAR AND MADRAS

We have to thank the Indian Trade Commissioner for allotting a space of roughly 350 square feet in an excellent position with public gangways on three sides of it in the Indian Section for the Stand subscribed for by the provinces of Bihar United Provinces and Madras for a display of their handicrafts

We were able to make a most attractive Stand of which the enclosed photograph though they lack the colouring give a very fair idea

Needless to say the Stand attracted very considerable attention and my three assistants and myself were kept busy most of each day of the Fair answering enquiries and booking orders

Their Majesties the King and Queen Her Majesty the Queen Mother and other members of the Royal Family saw the Stand Lord and Lady Willingdon the Dowager Lady Ampthill Sir Hugh and Lady Stephenson Lady Carmichael Lady Stokes Lady Moton and Lady Symons amongst other notables visited the Stand and placed orders

The Bihar exhibit comprising chiefly soft furnishings and most attractive silk mufflers always make a good display The United Provinces exhibits comprising printed silk or satin bed spread table covers and runner carved ivory specimen of choice brass enamelware and Lucknow chikon work (embroidery) had not been dealt with by the Agency before and proved most interesting to the buyers from firm The Madras exhibit included carved ivory and sandalwood carved rosewood tables horn paddy bird and animal and lacquered toys all displayed in previous year at the Fair and textiles and lace from the women workroom section of the Victoria Technical Institute new this year The exhibit were so numerous that the space 10 ft square provided by the Institute restricted the display Luckily we were able to fit a number of the exhibit into the general scheme of decoration of the Stand and so had a fairly complete display

A noticeable feature of this year Fair so far at least as we were concerned was the falling off in the number of buyer from the large London firm the one or two who did call though

very interested in the exhibits placed no orders but asked either for samples to be sent to them after the fair or promised to visit our showroom at Beckenham Some slight apprehension seems to exist as to the effect which the anticipated increased taxation might have on the luxury trade On the other hand the absence of buyers from the large London firms may have been due to the fact that our showroom at Beckenham is now quite well known to most of them and they may have considered a visit to our stall at the B I F as unnecessary Amongst the foreign buyers Messrs Marshall Field of New York and one or two smaller firms from Canada placed good orders with us Messrs. Metz & Co of Amsterdam, who owing to the restrictions placed on imports into their country have not during the last year or two carried on the good business they did with us in the past placed a fairly large order with us and promised to follow it up with repeat orders

The enquiries made by foreign firms were numerous and some at least of these should lead to good business One firm interested in our goods cabled to America after seeing them and in reply received offers for quantities of certain articles at reduced prices Some of these we had to refuse off hand but it is expected that better offers will be forthcoming as samples of the goods were taken for despatch to America Other offers we are submitting to the provinces concerned

The orders given by the smaller provincial firms in this country exceeded anything we have had in the past and came not only from our regular customers but from firms with whom we have not had dealings previously It would seem that these provincial firms expect a rich harvest from the tourists who will flock to this country for the Coronation

We had some very interesting offers from two firms in Scotland and from one firm in Birmingham who are prepared to place large orders with us for the International Exhibition in Glasgow next year provided we are making no display ourselves and provided the firm whose offer is accepted has an undertaking from us not to supply any other firm with our good for the Exhibition As the question of India's participation in that Exhibition is under consideration I was unable to entertain the offers, but have promised to let the firms know as soon as the question is decided

The British Industries Fair has again proved itself to be the best advertising agency

Comparison of this year's results with those of previous years is not yet possible as the business done so far is only an indication of the expansion and development which may be expected and the actual result will not be known for several months to come. The orders received for the new lines of goods displayed are most encouraging but much depends on the expedition with which the orders sent to India are executed and the maintenance of the high standard of work.

(Sgd.) E. C. RYLAND

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